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NEWS SUMMARY

GENERAL

Home rule poll possible

Mr. James Callaghan yesterday made preparations to offer the substantial concession of a referendum in Scotland and Wales to placate Labour opponents of the Devolution Bill.

At the same time the Tory leadership, trying to close party ranks following front bench resignations over the devolution issue faced the prospect of an embarrasing intervention by Lord Home, the former Conservative Prime Minister.

Meanwhile, the Government unveiled—as a Green Paper—its promised consultative document on possible changes in England's administrative system to a generally lukewarm reception in and out of Westminster. Back, Parliament, Page 9. Green Paper details, Page 11. Editorial Comment, Page 16

Windscale leak admitted

Radioactive water has leaked from an old storage silo, containing highly radioactive waste, at the Windscale, Cumbria, atomic plant, Mr. Anthony Wedgwood Benn, Energy Secretary, told the Commons, adding that the leak was not hazardous to workers or the public.

Last night Mr. Douglas Hoyle, Labour MP for Nelson and Colne, called for a public inquiry before the Government decides to go ahead with the nuclear reprocessing plants at Windscale. Page 8

Hint of fresh hope for trawlers

More than 12 British trawlers will be allowed to resume fishing in Icelandic waters on a temporary basis early in the New Year if Iceland accepts a tentative arrangement worked out with the EEC, Mr. Finn-Olav Gundelach, the Danish Commissioner, disclosed in Brussels. Mr. Gundelach also said that the Community may offer the Soviet Union an EEC waters quota 50-55 per cent. below its 1975 catch there. Page 4

More scope for SAS in Ulster

SAS operations in Northern Ireland are to be extended from Armagh to other trouble spots, Mr. Robert Brown, Army Minister, told the Commons. Gunmen seriously wounded a policeman at his Belfast home last night.

Death sentence appeals upheld

The Irish Supreme Court, upholding the appeals of Mr. and Mrs. Noel Murray against death sentences imposed for murdering a policeman during a bank raid, commuted 28-year-old Mr. Murray's sentence to life imprisonment and ordered a retrial for his 27-year-old wife. Mr. Page 4

Lisbon blast

A bomb explosion yesterday cut off 90 per cent. of Lisbon's water supply. Portugal is due to hold local elections on Sunday. Page 4, Editorial comment, Page 16

One for the Eye

Three Law Lords yesterday rejected an application by Sir James Goldsmith for leave to appeal against a lower court ruling that an article in Private Eye was not a contempt of Court.

Briefly . . .

Two Ugandan Army officers, who had been detained at Heathrow Airport since Wednesday, were last night allowed to enter Britain

Acker Bilk, 47, jazz bandleader, has had a heart attack and is in a Reading, Berks, hospital.

Prince Andrew, the Queen's 16-year-old son, is to attend Lakefield College School in Ontario, Canada, in the New Year.

BUSINESS

Equities lose 5.6; gold tops IMF price

● EQUITIES fell towards the close on fears that the miners would vote for strike action. The FT 30-Share Index lost 5.6 to 319.4. But the All-Share was 0.5 per cent. higher at 139.42.

● GILTS activity lessened, but prices made a little headway.

● GOLD rose $1 to $137½ in London, compared with the $137 at which 780,000 ounces were sold on Wednesday at the fifth IMF auction, the highest price so far in the auctions. Page 5

● STERLING slipped 5 points to $1.6710. Its weighted depreciation was unchanged at 44.7 per cent. Dollar's was 0.32 (0.31) per cent.

● WALL STREET closed 7.48 higher at 970.74 while volume expanded to 31m. (25m.) shares.

● U.S. MONEY supply. M1 $310.3bn. (307.8bn.); M2 $735.1bn. (731bn.). Page 5

● U.S. COURT is considering two major cases involving rebates to importers which could have far-reaching implications for international trade next year. Page 6

Plan for £2bn. gas pipeline

● PIPELINE scheme, costing £2bn., which would gather gas from a number of North Sea fields is to be studied by a joint public-private enterprise company to be set up by the Government. Page 7: North Sea oil review Page 32

● BANK OF ENGLAND again indicated to the money market by lending for seven days at 14¾ per cent. that it would be unhappy to see a cut in its minimum lending rate. Money market, Page 38

● ROMANIA and the EEC have signed an agreement which prevents the Government going ahead with its decision earlier this year to limit imports of East European men's suits into the U.K. Page 6

● EEC COMMISSION is to drop its proposals for harmonising standards for processed foods throughout the Community because of the food industry's opposition and foot-dragging by member Governments. Page 4

COMPANIES

● SIME DARBY chairman Mr. James Bywater has resigned from the Board, which has been reconstructed with the agreement of Rothputra Nominees, the Malaysian concern. Page 32

● LITTLEWOODS organisation revealed that it increased pre-tax profit last year by 12 per cent. to £31.6m. Page 32

● XEROX has signed an agreement with Eastman Kodak, providing for exchanges of world-wide patents on each company's office copiers. Page 34

● GUS first-half pre-tax profit rose to £46.08m (£40.94m.). Page 29 and Lex. LLOYDS and Scottish pre-tax profit rose by £1.38m. to £14.48m. in the year to September 30. Page 30 and Lex

U.K. consortium wins £100m. Soviet contract

BY GEOFFREY OWEN and ARTHUR SMITH

A British consortium including Rolls-Royce (1971) has defeated competition from General Electric of the U.S., Hitachi of Japan and AEG-Mannesmann of West Germany to win a £100m. contract from the Soviet Union.

It is the largest order in the history of Anglo-Soviet trade, and represents the first substantial use of the £950m. credit facility arranged by Sir Harold Wilson in Moscow last year. Up to now only £42m. of the credit has been used.

The winning consortium, known as COBERROW, consists of Rolls-Royce and the British affiliates of Cooper Industries, a leading U.S. compressor manufacturer, and Williams Brothers, an international pipeline engineering concern.

The contract, signed yesterday, is for supply of 42 gas-pumping modules, powered by Rolls-Royce Avon engines, for installation along 600 miles of gas pipeline from Western Siberia to the city of Chelyabinsk.

The order includes 12 spare Avon engines, maintenance facilities and an overhaul base.

In the past few weeks the Soviet trade delegation headquarters in Highgate has been the scene of intense discussions involving the four main contenders, COBERROW, GEC Gas Turbines, General Electric of the U.S. and a joint venture between John Brown Engineering and AEG-Mannesmann of West Germany.

"I have never seen anything like it," one participant said last night, "there were continuous, parallel negotiations with each group, going into the minutest detail of each tender."

They were kept on tenterhooks until late last Friday night, when the identity of the winner became known.

The ferocity of the competition has been partly due to the determination of GE to preserve its exclusive position in the Soviet gas pipeline market. In the past five years the Russians have spent over $1bn. on gas turbine compressor units, and they have virtually standardised on the GE-designed, heavy-duty gas turbine, manufactured either by GE itself or by one of its manufacturing associates, of which John Brown Engineering is one.

The rival light-weight system, based on the Avon engine, has been used extensively in the U.K., Canada and elsewhere, but has never been bought by the Soviet Union for gas transmission.

For the Chelyabinsk pipeline, the Russians invited Rolls-Royce and later GEC to submit tenders using the Avon, and by the summer of this year it appeared that any technical objections to the light-weight system had been overcome.

Because Rolls-Royce does not normally act as prime contractor on his type of order, a consortium was formed with Cooper Industries (with which Rolls-Royce has had a close association since the early sixties) and Williams Brothers, which would handle the supply of the ancillary equipment.

A number of Cooper compressors have been used by Russia on earlier pipeline projects. This factor, together with Williams' international reputation in pipeline engineering, may have influenced the final decision.

The GEC tender is believed to have been highly competitive on price and technical criteria.

The deal is an important breakthrough for Rolls-Royce in the Soviet market. It opens up possibilities for more pipeline orders and other industrial applications, notably for the Avon, but for other engines such as the Spey and the RB-211.

The bulk of the equipment will be made in the U.K. The Avon engines will be manufactured in Rolls-Royce's East Kilbride factory; the compressor modules will be constructed by the Cooper Bessemer division of Cooper Industries at Bootle. Parts of the compressor and of

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News Analysis, Page 6

Shipbuilding chief blames delay for resignation

BY KEVIN DONE AND JOHN WYLES

MR. J. GRAHAM DAY yesterday delivered the sharpest possible rebuke to the Government over its handling of the shipbuilding nationalisation Bill, by announcing that he would no longer continue as chief executive-designate of British Shipbuilding.

While avoiding public condemnation of Ministers, he left little doubt that the main reason for his departure was the effects on the shipbuilding industry of the delay in the Bill reaching the Statute Book.

Sufficient orders to have staved off the imminent crisis facing Britain's shipbuilding industry for at least six months have been lost by the Government's handling of the Bill, he said. The lost orders meant the difference between shipbuilding going down a slope or off a cliff.

The Government's decision to accept a delay rather than the Bill as amended by the Lords in the last session was posing the proposed new State corporation with problems of a scale quite unforeseen when he was appointed a year ago, he said.

Mr. Day and his colleagues, one or two of whom may decide to follow him and quit, were never in any doubt that the Government should have cut its losses and accepted a defeat over ship-repairing in the interests of getting British Shipbuilders in business and a policy for merchant shipbuilding established as soon as possible.

But this view was pressed with great discretion, since the committee was anxious to avoid any overt political action and it was never consulted.

Mr. Day, a 43-year-old Canadian who was chief executive at Cammell Laird on Merseyside until last December, claimed yesterday that a number of options "to minimise the grief" threatening merchant shipyards which had been identified by the British Shipbuilders organising committee earlier in the year, now appeared to be closed.

When he accepted the £19,320-a-year job, it was envisaged that the Bill would have been law by this summer, and British Shipbuilders in a legal position to implement policies which would, said Mr. Day, have been aimed at keeping the maximum number of yards open. Policies would have included specially devised financial packages for shipowners which yards are now not in a position to offer, and joint venture schemes.

But now he said it was not possible to quantify the timescale for redundancies facing the industry, although they would begin progressively from the first quarter of next year.

The British industry had to face a reduction of capacity of between 50 and 75 per cent., and when the orders stopped the effects would be felt through many sectors of industry that were dependent on shipbuilding. Every job in shipbuilding created three more jobs that were dependent on it in the supply industries, said Mr. Day, and the livelihoods of more than 1m. people in Britain depended on its future.

Mr. Eric Varley, the Industry Secretary, went as far as to make a public appeal in the Commons yesterday to Mr. Day to "reconsider his decision," but there is little chance that the Government's chosen chief executive for British Shipbuilders will change his mind. "I think not," Mr Day said last night.

As the delays built up "the options closed one by one. Now the job that requires to be done is not the job I signed on for. I am a believer in medicine and surgery if I think the result will be the recovery of the patient. I did not see myself in a role beyond that."

Asked if the only role that remained to be played was that of a butcher, Mr. Day agreed that that appeared to be the only alternative.

Parliament, Page 9

Ezra offers to reopen talks

BY ROY ROGERS, LABOUR CORRESPONDENT

AN OFFER to reopen negotiations on miners' demands for early retirement came yesterday from Sir Derek Ezra, chairman of the National Coal Board.

Sir Derek's offer, made at a Press conference in Lanarkshire, coincided with the final day of pit-head balloting which looks set to give the National Union of Mineworkers' national executive the authority to call industrial action over the claim.

It also emerged yesterday that the NCB and the NUM have agreed a draft planning agreement to boost output per man by an additional 3 per cent. for each of the next five years during which some 20,000 jobs are expected to be eliminated.

There would, however, be no compulsory redundancy as such a cutback could easily be achieved through natural wastage and early retirement.

Results of the secret ballot will not be known until the middle of next week but union officials anticipate a healthy majority in support of the executive's recommendation to reject the NCB's offer and back industrial action, if necessary, to secure the claim.

Mr. Joe Gormley, the NUM president, predicted "a hell of a majority" behind the executive recommendation.

The executive is due to meet on December 21 to consider the ballot result but he did not envisage any talks with the NCB before January.

Sir Derek declared yesterday that he did not believe that anyone in the industry wanted a dispute. "We are not going to have one," he said.

In reply to the NUM demand for a five-year reduction in the retirement age taking it to 60 from January, followed by further staged reductions to 55 by 1980, the NCB has offered a voluntary scheme. This involves retirement at 62 for underground workers with 25 years' service, to be phased in over three years if and when Government pay policy allows.

It is believed that the NCB is prepared to make some further concessions, and this view was strengthened yesterday when Sir Derek stated that it was not the NCB but the NUM that broke off the earlier negotiations.

The real question behind the ballot, Page 16

DECEMBER 15

Healey names the day

By Peter Riddell, Economics Correspondent

Mr. Denis Healey, the Chancellor of the Exchequer, will announce next Wednesday afternoon in the Commons the long-awaited economic measures and the outcome of the negotiations with the IMF over the $3.9bn. loan.

This was revealed yesterday following a Cabinet meeting at which decisions were completed on the package including the widely expected sale of part of the Government's holding in British Petroleum to raise around £500m.

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Politics To-day Page 27

Meanwhile, Britain yesterday repaid on the due date its total drawings of $1.545bn. from the $5.3bn. central bank standby credits arranged in the early June sterling crisis. Repayment came from the official reserves which stood at $5.16 bn. at the beginning of the month.

The first instalment of the IMF loan to cover part, if not all, of this drop in the reserves, will not be made until January after final approval of the terms by the IMF executive Board.

Consultations with the IMF team in London on the details of the Letter of Intent have now nearly been completed. The IMF officials are expected to return to Washington within a couple of days.

Backing

There are no signs of any resignations from the Cabinet over the package and it appears that Mr. Healey, with the backing of the Prime Minister, has managed to win support for measures roughly as large as those outlined to the Cabinet by him a fortnight ago.

Cuts in public spending will form the main part of the measures though there may also be some sweeteners in the form of the delayed announcement of the new industrial assistance scheme.

No proposals are expected which require ways and means resolutions in the Commons such as direct tax changes which will not come until the spring Budget. Changes in indirect taxes such as value added tax can, however, be made by the use of the regulator.

£ in New York

—	Dec. 9	Previous
Spot	$1.6700-6715	$1.6690-6700
1 month	1.68-1.65 dis	1.75-1.70 dis
3 months	4.61-4.56 dis	4.67-4.62 dis
12 months	13.80-13.70 dis	14.05-13.95 dis

Last-ditch bid to save Geneva talks

BY BRIDGET BLOOM, AFRICA CORRESPONDENT

DR. HENRY KISSINGER, the outgoing U.S. Secretary of State, arrives in London to-day apparently determined to make a last ditch effort to save the Geneva conference on Rhodesia from collapse.

It is understood that Dr. Kissinger, whose diplomatic initiative in southern Africa earlier this year produced the conditions for the Geneva conference, could return to Africa if it was felt that this could break the Rhodesian deadlock.

Whether or not he—or other U.S. or even British officials—go to Africa will depend on the outcome of crucial meetings to-day and over the weekend, when the U.S. Secretary is to meet Mr. James Callaghan, Mr. Anthony Crosland, the Foreign Secretary, and Mr. Ivor Richard, chairman of the Rhodesia conference, who returned from Geneva last night.

Effort

London and Washington appear to agree that without a major diplomatic effort the conference, now in its seventh week and rapidly losing momentum, is in danger of total collapse. However, differences could well emerge this weekend as to the nature of the effort now required.

The problem, as it has always been, is the profound gap between the demands of the Africans for an immediate transfer of power and the insistence of the white Rhodesians on the so-called Kissinger package, which in their view would leave real power in white hands during a transitional government.

This gap was underlined yesterday as, despite what one observer called the "beginnings of a glimmer of a crack in the white position" Mr. Ian Smith, the Rhodesian Premier, continued to insist that the Kissinger plan is in all essentials non-negotiable.

Three major courses of action, all starting from the premise that the conference cannot be concluded by the set date of December 20, are likely to be discussed this week-end.

As far as can be judged, British Ministers would like the U.S. Secretary to reformulate the so-called Kissinger plan, endeavouring to enjoin moderation on the African participants and their backers in the front-line African states in return for greater flexibility from Mr. Smith.

It is felt that only Dr. Kissinger could do this, since only he at this stage has the necessary influence on Mr. John Vorster, the South African Prime Minister and on Mr. Smith.

The idea would be for the Geneva conference to adjourn, with a firm date set for reconvening in early January, to allow time for such a diplomatic offensive.

The limitations on the power of Dr. Kissinger, who has only five weeks left in office, are recognised. But it is not felt that President-elect Carter would object to such an initiative, if only because success would mean one less problem to confront the new administration, while it could hardly be blamed for failure.

However, while Dr. Kissinger may be prepared to go to Africa, he may first suggest that Britain takes a more positive role by immediately tabling compromise proposals as a basis for negotiation in Geneva.

While Washington appreciates the political constraints on the Government, it also feels that an adjournment of the conference before real negotiations have begun could well be fatal.

It is felt that only Britain can produce such compromise proposals, even though that would mean Ministers having to define, which they have so far carefully avoided doing, the precise role which Britain itself is prepared to play in an interim government.

The third possibility is that Britain and the U.S. themselves agree on modifications to the Kissinger package. However, an attempt to do just this has already provoked African hostility.

Proposals

It has been suggested, to African frontline Presidents among others, that Britain could provide the chairman of the Council of State in a two-tier "power sharing" government of black and white. This has caused a storm of protest in Geneva, mainly because Africans see it as undermining the black role in the transitional period.

Among other proposals for breaking the logjam is a visit to Geneva by Mr. Crosland. But whatever alternatives are sought, no one doubts that the meetings beginning to-day will be critical and difficult.

A majority of the Cabinet is still opposed to deeper British involvement in Rhodesia, while many politicians and some Foreign Office officials believe the odds against a settlement are too great and that the endeavour should be abandoned.

Smith in Geneva Page 5

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Bell (Arthur)	132	+ 4
Brabham Millar	27	− 3
Chloride	83	+ 4
Ductile Steels	89	+ 9
Freemans (London)	112	+ 6
Head Wrightson 6pc Pref	55	− 13
Hoover "A"	192	+ 4
Hunting Gibson	130	+ 7
Mothercare	158	+ 8
National Carbonising	29	+ 4
Nottingham Mnfc.	52	+ 3
Rediffusion	61	+ 4
Stag Line	109	+ 10
Taverner Rutledge	36	+ 7
Oil Exploration	84	+ 4
MIM	217	+ 11
Northgate Expln.	300	+ 10
Oakbridge	91	+ 5
Pancontinental	825	+ 35
Western Mining	154	+ 8

FALLS		
BATs Defd.	215	− 5
Beecham	356	− 6
GEC	161	− 4
Glaxo	383	− 7
ICI	286	− 7
Lucas Inds.	187	− 4
Lyons (J.)	46	− 4
Phoenix Assurance	166	− 4
Spear and Jackson	92	− 6
Tube Invests.	282	− 4
United Biscuits	115	− 6
Shell Transport	420	− 8
St. Piran	47	− 7
Union Corp.	252	− 8

FEATURES

ON OTHER PAGES

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LOMBARD

More news from the tax front

BY ANTHONY HARRIS

ONE OF THE favourite debating tricks of the Left is to point out, when they are accused of a mania for public spending and redistribution, that Britain is in fact a relatively lightly taxed country. We British, they imply, simply grumble more about taxes than other people—a tradition which goes right back to the protests when Gladstone first introduced an income-tax.

The trouble with this argument, until to-day, has been that the figures which proved the point dated from 1973. The Barber regime does not make a very good basis for Socialist polemics, after all.

Now however the Central Statistical Office has come to the rescue with a new issue of *Economic Trends* which shows that even in 1974 under the first year of the Healey regime we were with the notable exception of Japan, the possible exception of Italy (which seems to collect its statistics in as lackadaisical a way as it is reputed to collect its taxes) and the almost certain exception of the U.S. the most lightly taxed country in the OECD.

Comparisons

Unfortunately the comparisons come in two batches, since different countries have different ways of compiling their national accounts (the CSO has kindly re-analysed our own according to both systems. On one measure British taxes and social security contributions in 1974 took 38 per cent. of GNP; and later British information suggests that in 1975 the take went up to 39 per cent. For comparison, in 1974 the Belgians parted with 41.4 per cent., the Germans with 42¼, and the Austrians with no less than 44.9. The Japanese, on the other hand, paid only 24.6 per cent. of GNP.

In a second group, we can compare our own burden—this time 38.7 per cent.—with that in Canada (39.7), Denmark (53.4), France (41.1), Holland (50.6), Norway (52.9), and Sweden (49.1). The U.S. tax burden in 1973 (when ours was 36.3 per cent. of GNP) stood at 32.0 per cent., and the Italian at 35.7; so there are apparently only three countries to which tax grumblers can appeal for example. On the other hand the Danes, the Dutch and others are carrying burdens more than a quarter again as big as our own, and until recently re-electing the governments that imposed them year after year.

Ah, you may be saying; but everyone knows that we pay far higher income-tax and far lower indirect taxes than other countries. That is why even a light burden chafes like an ill-fitting rucksack.

Not so. Though the scatter is a good deal wider, we are reasonably high in the list for expenditure taxes paying more than Belgium, Holland, and Germany as well as the generally low-taxed countries, and much the same as Sweden.

Now this is all very puzzling and even disillusioning. How can we possibly feel so overtaxed if others pay similar rates without so much suffering?

The answer to this is not evident from the tax tables! We are not nearly as rich as nearly every other country in the table. Socialists, who believe that taxes should be strongly redistributive, should be the first to understand what this implies: for if the structure of income-tax and indirect taxes were exactly the same in Britain as, say, in Canada (which does in fact come rather close in the split between direct and indirect taxes, social security contributions and so on) then each British taxpayer would be paying the same percentage burden out of about half the real income of his Canadian counterpart. No wonder he grumbles more. In fact, of course, since a "subsistence" level is not so very different in the two countries, we have had to be more redistributive to get the same result: our poor are poorer, and simply can't pay. Hence the very high marginal rates.

Discretionary

This rather heavily underlines the lesson that percentages on their own give very partial answers. The social services a country can afford are not a percentage of its income, and nor is the tax burden a country can bear without grumbling. The relevant percentage is of what you might call excess or discretionary income—the sum left after paying for what have come to be accepted as the most basic outgoings.

The percentage of our income which we can afford to spend on public services changes with the level of real income. What the tables really show is that in percentage terms we are keeping up with the Joneses; but in fact we are not rich enough to do it.

RACING — BY DARE WIGAN

Village Thief this time

THERE IS an inspection of the course at Newbury at 7.30 a.m. to decide whether racing will take place on the Berkshire track this afternoon. If there is racing, there is the prospect of a good set-to for the Tony Teacher Handicap Chase between Pengrail, Cuckolder, convincing winner of the valuable Kirk and Kirk Chase at Ascot three weeks ago, and *Village Thief.*

Pengrail will be having his first outing of the season and will no doubt be the better for it. Cuckolder is not the most reliable of customers.

I suggest, therefore, Village Thief, who was by no means disgraced at Wincanton last month when runner-up by only two lengths to Fort Devon, twice a winner of the Maryland Grand National.

Outpoint, successful on his last three appearances, the first of them over to-day's course and distance on November 4, will no doubt be a warm order for the Joe Coral Golden Hurdle Handicap qualifier and he is entitled to be so.

NEWBURY

12.30—Number Engaged
1.00—Everything
1.30—Village Thief
2.00—Julian Swift**
2.30—Listercombe*
3.00—Brave Kid***

But though he finished a long way ahead of Listercombe on that occasion, and *Listercombe* is only 9 lb better off at the weights here, I have a hunch that Lord Vestey's gelding may come out the better this time.

He ran pretty well at Leicester on his last appearance and, being by Aggressor, he will revel in heavy ground.

Julian Swift, runner-up to the smart Tree Tangle at Sandown before scoring easily at Kempton, can scarcely be opposed for the Bath Novices' Chase.

The two divisions of the Bristol Long Distance Novices' Hurdle require some sorting out, though I am hoping that *Everything* will have the edge over Albury Land and Walberswick in the first and that *Brave Kid* will win the second. Indeed, Derek Kent's six-year-old is a reasonably confident selection.

Racing at Newcastle to-day has been abandoned.

SALEROOM — BY ANTONY THORNCROFT

Limoges plates excel at £26,000

SOTHEBY'S HELD two successful auctions yesterday, disposing of Medieval, Renaissance and Baroque works of art for £256,560 and silver for £212,285. There was also a good sale at the Belgravia rooms, which brought in £129,208 from Continental ceramics and glass.

The highest price of the day, and over twice the forecast, was the £26,000 which bought a set of 12 Limoges painted enamel plates by Joseph Limosin, showing scenes from Genesis and dated 1625. An even more extraordinary price was the £15,500 paid for a 17th century French bronze equestrian figure of Louis XIII, from the workshop of Hubert Le Sueur. It was expected to sell for about £2,500.

Other notable prices, in a sale which was 98 per cent. sold, were £10,000 for a Trier volcanic stone group of the Virgin and Child made about 1370, the same for a South German games box of the late 16th century, £8,500 for a large limewood South German group of the Virgin and Child—of about 1520—and £8,000 for an 86-inch high, North Italian carved limewood group of Apollo and Daphne dated 1700.

The top price in the silver was £15,000 for a George III silver gilt centrepiece by Paul Storr, marked 1809, and standing 17¼ inches high. A helmet shaped ewer, probably Dutch, of about 1675, sold for £8,700 to a Dutch buyer and a set of four George III silver gilt table candlesticks, also by Paul Storr, fetched £8,200.

A Virgin and Child of about 1370 which sold for £10,000 at Sotheby's yesterday.

Koopman gave £6,000 for a George III set of table silver by Paul Storr and Partridge Fine Arts £5,400 for a set of six George II table candlesticks by Paul Crespin bearing the crest of Hay.

At Belgravia the best price was the £9,200, twice the estimate, for a large Meissen dinner service of about 1900. A pair of Russian Imperial porcelain vases of the mid-19th century sold for £8,200. Gay Antiques bought a pair of "Sevres" ormolu-mounted vases and covers for £5,500 and Emanouel a pair of jewelled "Sevres" vases.

The clothes of Queen Victoria are no stranger to the London salerooms and Christie's in South Kensington confidently disposed of some of her fripperies yesterday. A pair of the Queen's black silk stockings, plus black kid shoes, sold for £75, and a nightdress and drawers made £65. A petticoat which had been part of the trousseau of the late Queen Mary fetched £35, and King Edward VII's pink shirt £18. But perhaps the star price was the £250 paid for an evening coat made about 1920 by Reville and Rossiter of Hanover Square.

Christie's sold English and Continental furniture for £59,527. A George III mahogany breakfront library bookcase sold for £3,000 to the London dealer Kennedy Sumner. Stodel, another dealer, paid £2,100 for a Dutch ebonised hall bench of the 18th century.

The printed book auction added a further £41,063.

During a Christie's wine sale the auction house sold its millionth bottle of wine in the year. The take is in excess of £3m.

CRICKET — BY HENRY CALTHORPE

MCC full of zeal

AHMEDABAD, Dec. 9.

THREE DRAWS in their first three matches in India may not seem to be an inspiring start for MCC, and yet all that has happened so far has been extremely encouraging.

There is still one more match, against North Zone in Jullunder starting on Sunday, before the first test starts in New Delhi next Friday, and already almost all the main English batsmen are in form, five of them—Brearley, Fletcher, Greig, Knott and Barlow—having scored hundreds, while the bowling, especially the fast bowling, has been more penetrative on these slow pitches than one dared to expect.

It is a long time since MCC have sent overseas a party full of so many cricketers who are inexperienced at Test level and it has been splendid to watch them settle down as well as they have.

Enthusiasm is limitless. At first, in the heat and humidity of Bombay, the management had a job to try to prevent the players from practising too hard too soon and to make them acclimatise gently.

This buoyant enthusiasm has shown itself most in the field, where the outcricket and the approach of the whole side has been admirable.

But there have been setbacks, too. Willis, who began the tour well in the opening match in Poona, has spent five days in bed with a chest infection and now has only three day's cricket in Jullunder in which to try to regain his form before the first Test.

Old, who is likely to be his partner with the new ball, had a nasty fall in Ipur, and although he seems to have recovered quickly, it takes a fast bowler who has recently recovered from an injury a little while before he is prepared fully to let himself go again.

The other sad piece of news has had nothing to do with cricket. Since arriving in India on November 23, no one has been keener or worked harder at his cricket than Cope. He has been bowling his off breaks cleverly and with fine control and had a good chance of playing in Delhi when news came through last Monday that his father had died. He has had to return to England, although it is hoped that he will be back in time for the first Test.

I hardly think, though, that it would be fair to ask him to play so soon after all the travelling, not to mention the emotional pressure to which he has been subjected.

From the evidence of the early matches, it seems clear that if England are to bowl out India twice, which they will of course need to do in order to win a Test match, then the fast bowlers are the most likely to do it for them.

Four years ago England arrived in Delhi for the first Test not knowing how they would bowl out India. They found a pitch with some moisture in it and Arnold took 6—45 in India's first innings and England won by six wickets.

In similar circumstances, Willis, if he is fit, and Old would be an awkward proposition and should the selectors decide to play three seam bowlers, Lever would probably be the third.

He has bowled well and is the most accurate of the faster bowlers, never allowing the batsmen any rest. In addition, his fielding is superb. This would leave Greig and Underwood as the two spinners, unless Miller, who batted beautifully here on Wednesday, plays as an all-rounder, in which case he will make second off-spinner.

As yet, neither he nor Greig have had enough bowling and they are not tight enough in length or line to be more than support off-spinners.

With the batting it is the healthy question of who to leave out. Amiss and Brearley will open, Barlow, who has made a hundred in each of his first two innings and is the only left hander among the main batsmen, will probably come next. Then there are Fletcher, Greig, Knott and Old, leaving one more place for which Tolchard, who is very much in the running as a batsman, Randall, Woolmer and Miller are competing.

It is highly satisfactory to have so many players in form at this stage of a tour.

The Indian selectors have chosen 14 players from whom they will pick their side for Delhi. The only surprise is the omission of Mankad on the evening after he had made 51 pretty good runs here against MCC. He played in all three tests in the recent series against New Zealand which India won 2—0.

The main danger to MCC will of course come from the spinners Bedi, Venkat and Chandra, with Prasanna, who bowled beautifully for the President's XI, also in the squad. It looks now as if the series will be decided either by India's spinners or by England's fast bowlers.

With good batting on both sides, though, I shall be surprised if more than one or at most two games have a definite result.

MASTERS TENNIS — BY JOHN BARRETT

Ramirez plays for laughs as tempers fray

HOUSTON, Dec. 9.

FOR THE second year in succession the Commercial Union Masters tournament has been disfigured by a controversial disqualification and reinstatement that makes a mockery of the new code of conduct which, it was hoped, would restore the public's waivering respect for the game.

Last year on the opening day in Stockholm, Arthur Ashe and Ilie Nastase were both disqualified when Ashe stormed off the court following some typical Nastase histrionics over a line call. The following morning Ashe was declared the winner of the match but Nastase went on to win his fourth Masters title.

At the Summit Arena here last night, experienced umpire Jack Stahr of Larchmont, New York, disqualified Mexico's Raul Ramirez — correctly, in my opinion—in the final set of his match against his friend and doubles partner Brian Gottfried. Forty minutes later, while Mr. Stahr was attending a Press conference, it was announced that the tournament committee had reinstated Ramirez who quickly lost the next four games and was beaten 4—6, 6—3, 6—0.

With the American leading 2—0, 30—15, there was a lengthy stoppage over a service line call. Ramirez claimed that as the service landed he saw out of the corner of his eye an arm raised by someone inside the court area which he assumed belonged to the linesman. Later it transpired that a photographer had been responsible and after Ramirez had explained the situation to Mr. Stahr, the umpire asked the crowd not to make movements that might distract the players and asked Ramirez to continue the match.

Almost as an afterthought Ramirez asked: "Do I get a let?" and Mr. Stahr then asked Gottfried: "Do you want to give him a let?" Gottfried pointed to Mr. Stahr to indicate that it was the umpire's decision and Mr. Stahr announced that no let would be played.

He invited Gottfried to serve but Ramirez had now involved the crowd in banter and some of the 7,000-plus spectators were shouting abuse both at Ramirez and the umpire. When Mr. Stahr ordered Ramirez to assume his normal attitude for returning service, the Mexican stood in the conventional spot but with his legs crossed ("Like Max Bloom's horse," said Mr. Stahr later) and with racquet dangling loosely by his side. It was clearly a defiant and mocking act and the last of several skittish and provocative actions he had indulged in. "He was milking the situation for laughs, and he was getting plenty. It was my duty to protect his opponent," said Mr. Stahr.

After more discussion, Mr. Stahr finally announced "Ramirez, you have 10 seconds to assume your normal receiving attitude." The Mexican, who had earlier been warned for hitting a ball at a linesman, now moved quickly to a point two yards behind the service line and adopted the customary stance but by now the crowd was so noisy that it would have been impossible for Gottfried to have served. Amid the din Mr. Stahr counted ". . . eight, nine, ten. This match is terminated."

After the players had returned to the dressing room Ramirez, claiming that he had been unfairly treated, appealed to referee Mike Blanchard. A hurried meeting was called of the tournament committee consisting of Blanchard and the two Commercial Union representatives, Geoff Mullis and John Beddington, none of whom had witnessed the incident.

Questioned later, Mullis admitted that his decision was influenced by consideration for the spectators and Blanchard said he was swayed by Gottfried's agreement that Ramirez (his doubles partner, remember) had been treated unfairly.

So we had the farcical situation of an experienced and respected court official (he first umpired in 1933) who had executed the laws of the game being over-ruled by three men who had not seen the build-up to the affair and who were swayed by commercial consideration and players' opinions.

The secretary of the ILTF and of the Men's International Professional Tennis Council, David Gray, summed up our feelings. "I think Jack Stahr was absolutely right and should have been supported to the hilt by anyone who cares about good conduct on court."

Derek Hardwick, the ILTF president, was equally shocked. "I find the attitude of the committee astounding." He said that the affair would be discussed to-day by the Council to consider what penalty, if any, should be imposed on the tournament officials.

In the evening's other matches, Roscoe Tanner beat Wojtek Fibak 7—6, 6—3 and Guillermo Vilas earned a semi-final place by winning a gruelling two hour 24 minute match against American Harold Solomon 6—3, 4—6, 6—4. The first game lasted 14 minutes and contained 240 strokes, as long as many nine-game sets at Wimbledon.

Fibak will play Vilas tonight and tomorrow Solomon takes on the Spanish left-hander, Manuel Orantes.

APPOINTMENTS

Changes at Rank Organisation

Mr. David James, at present managing director of Rank Credit Facilities, is to succeed Mr. Victor Weake as managing director of English Numbering Machines, another subsidiary of the RANK ORGANISATION, with effect from January 1.

Rank Credit Facilities is gradually reducing its commitments in the field of television rental finance and Mr. James will combine his new appointment at English Numbering Machines with his continued role at Rank Credit Facilities during the run-down period.

Mr. Weake, as previously announced, is leaving English Numbering Machines having successfully completed his assignment from Brim-Exports and is resuming other activities as chairman and managing director of Brim-Exports.

Mr. J. B. Smith, who is chairman of the Rank Industrial and Consumer Products Group, will also become chairman at the same date of English Numbering Machines.

*

Mr. W. J. McNeill has resigned as deputy chairman and as a director of BERRY WIGGINS AND CO. to work within the Conservative Party Central Organisation concerned with community and business affairs.

*

Mr. Mervyn Blakeney is to become head of the European region of CADBURY SCHWEPPES from January 31. He is at present managing director of Schweppes Italia SpA. Mr. Blakeney will succeed Mr. Jack Willett, who is resigning from the main Board to join INTERNATIONAL STANDARD BRANDS, an American company, as area vice-president for Europe, the Middle East and Africa.

Mr. Paul Slater, a director of Grindlay Brandts, in charge of shipping finance, will be leaving early in the New Year to take up a new appointment as chief executive of a Bermuda-based company which will have a representative office in the City of London. It has been established to provide finance and financial services to the international shipping industry.

*

Mr. E. M. Turner-Samuels is to retire on December 31 as managing director and deputy chairman of PERCY BILTON. Mr. Percy Bilton has reverted to chairman and managing director. Mr. A. G. Smith and Mr. R. J. Woolacott have been appointed joint assistants to the managing director.

*

Mr. Derek H. Pringle has been appointed managing director of NUCLEAR ENTERPRISES. He joined the company in 1959 and became research director and deputy managing director in 1961.

*

As a result of the Wheelabrator acquisition of Berger Maschinenfabriken GmbH and Co., the following appointments have been made. In addition to their present duties in TILGHMAN WHEELABRATOR, Mr. J. M. Whitworth has been appointed vice-president of Wheelabrator International Incorporated and will join the management Board of Berger Maschinenfabriken. Mr. W. R. Macmillan has become deputy managing director of Tilghman Wheelabrator.

*

Mr. F. G. Fenton has been appointed general secretary of the NATIONAL DEPOSIT FRIENDLY SOCIETY following the retirement of Mr. E. P. Baldwin.

*

Mr. John Wakefield, vice-president, has been appointed deputy general manager of the London branch of FIRST WISCONSIN NATIONAL BANK OF MILWAUKEE. Mr. Wakefield will remain in charge of foreign exchange and deposit dealing.

*

Mr. H. C. Hardy has been appointed group managing director of NEWS INTERNATIONAL.

*

Mr. Brian S. Swann, a divisional director of the aircraft products division of LINREAD, has been appointed divisional managing director of that division from January 1.

*

Mr. M. E. Quinlan, at present an Under-Secretary in the Cabinet Office, has been promoted Deputy Secretary and will become Deputy Under-Secretary of State (Policy and Programmes) in the Ministry of Defence, in succession to Mr. A. P. Hockaday who is now Second Permanent Under-Secretary of State (Administration), Ministry of Defence. Mr. Quinlan will remain in the Cabinet Office until the spring of 1977, when he will take up his new position.

*

Mrs. Stafford Bourne, a major shareholder of BOURNE AND HOLLINGSWORTH, has been appointed a non-executive director of the company.

*

Mr. Michael Warwick-Smith and Mr. Alan Woltz, group executives of LRC INTERNATIONAL, have been appointed to the main Board.

*

Sir Campbell Adamson has been elected to the Board of LAMSON INDUSTRIES from January 1. Mr. C. L. Dawson will become deputy secretary on that date.

*

Mr. S. J. Keynes has been appointed a director of BALL AND COLLINS (OIL AND GAS).

TV Radio

† Indicates programme in black and white.

BBC 1

12.45 p.m. News. 1.00 Pebble Mill. 1.45 Teddy Edward. 1.50 Ring-a-Ding. 2.20 Her Nodiant. 3.53 Regional News (except London). 3.55 Play School. 4.20 It's The Wolf. 4.25 Jackanory. 4.40 Emu's Broadcasting Company. 5.10 The Discoverers.
5.40 News.
5.55 Reporting England.
6.20 Nationwide.
6.45 Sportswide.
7.00 Holmes and Yoyo.
7.25 Ken Dodd's World Of Laughter.
8.10 When The Boat Comes In.
9.00 News.
9.25 The Quest.
10.15 Tonight.
10.45 Abdication written and narrated by James Cameron—the story of Edward VIII's obsession for Mrs. Simpson.
11.40 Regional News.
11.41 The Friday Film: "Beach Red," starring Cornel Wilde.

All Regions as BBC-1 except at the following times:—

Wales—1.45-2.00 p.m. O Dan Y Mor. 5.55-6.20 Wales Today. 7.00-7.25 Heddiw. 10.15-10.45 Kane On Friday. 11.40-11.41 News for Wales.

Scotland—5.55-6.20 p.m. Reporting Scotland. 7.00 Ken Dodd's World of Laughter. 7.45 When The Boat Comes In. 8.35-9.00 Current Account. 10.15-10.45 A Taste Of Scotland. 11.40-11.41 News for Scotland.

Northern Ireland—3.53-3.55 p.m. Northern Ireland News. 5.55-6.20 Scene Around Six. 10.15-10.45 Benjamin Britten: A Ceremony sung by choirs. 11.40-11.41 News for Northern Ireland.

England—5.55-6.20 p.m. Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Look East (Norwich); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth). 10.15-10.45 North (Leeds) Atkinson, Huby; North West (Manchester) Home Ground; North East (Newcastle) Look Closer; Midlands (Birmingham) Off The Cuff; West (Bristol) The "E" (for environment) Show; South West (Plymouth) Peninsula; South (Southampton) Bioscope Days; East (Norwich) On Camera.

BBC 2

11.00 a.m. Play School.
1.15 p.m. Racing from Newbury.
7.00 News On 2 Headlines.
7.05 Indoors Outdoors.
7.30 Newsday.
7.45 Oh, To Be In . . .
8.10 The Money Programme Milton Friedman on, Money.
9.00 Rutland Weekend Television.
9.30 A World Of Music.
10.25 Brensham People.
11.15 Late News On 2.
11.25 Open Door.
11.55-12.00 Closedown: David Markham reads "The Feather," by Vernon Watkins.

LONDON

9.30 a.m. A Diary Of Civilisations. 10.20 Animated Classics. 11.10 Cowboy In Africa. 12.00 A Handful Of Songs. 12.10 p.m. Rainbow. 12.30 Battle Of The Comics. 1.00 News, plus FT index. 1.20 Today's Post. 1.30 Crown Court. 2.00 Money-Go-Round Good Afternoon. 2.25 Friday Matinee: "The Couple Takes A Wife." 3.50 Emmerdale Farm. 4.15 The Siege Of Golden Hill. 4.45 Magpie. 5.15 University Challenge.
5.45 News.
6.00 Today.
6.35 Crossroads.
7.00 David Niven's World.
7.30 Sale Of The Century.
8.00 Within These Walls.
9.00 Police Woman.
10.00 News.
10.30 Police Five.
10.40 The Friday Film: "Doctor Jekyll and Sister Hyde."
12.20 a.m. Close—Jacqueline MacKenzie reads from a selection of poems about survival.

All ITV Regions as London except at the following times:—

ANGLIA

10.10 a.m. Inner Space. 10.35 Breaktime 5. 10.40 Rogue's Rock. 11.25 One Of Our Airfields. 11.55 The Woozies. 1.25 p.m. Anglia News. 2.25 Friday Afternoon Film: "The Mark of Zorro." 6.00 About Anglia. 7.00 Bless This House. 8.00 The Streets of San Francisco. 9.00 Des O'Connor Entertains. 10.30 Probe. 11.00 Friday Late Film. 12.20 a.m. Your Music At Night.

ATV MIDLANDS

10.15 a.m. Something To Sing About. 10.40 Galloping Gormet. 11.05 Platform For Today Special. 11.45 Cartoon. 1.20 p.m. ATV Today Newsdesk. 2.25 Rendezvous With Romance: "What Are Best Friends For?" 5.15 Spiderman. 6.00 ATV Today. 7.00 Cartoon. 7.05 Jonathan Routh and Candid Camera. 8.00 The New Avengers. 9.00 Des O'Connor Entertains. 10.30 Extra Time. 11.00 The Friday Suspense Film.

BORDER

9.55 a.m. Tree Top Tales. 10.10 Woobinda—Animal Doctor. 10.35 Breaktime. 10.40 Rogue's Rock. 11.30 One Of Our Airfields. 11.55 The Woozies. †1.20 p.m. Border News. †2.25 Friday Matinee: Orders are Orders. 6.00 Border News and Lookaround. 7.00 Studio One. 8.00 The New Avengers. 9.00 The Des O'Connor Show. 10.30 Border Parliamentary Report. 11.00 Late Night Film: The Mummy's Shroud. †12.35 a.m. Border News Summary.

CHANNEL

†1.20 p.m. Channel Lunchtime News and What's On Where. 2.25 The Friday Matinee: "Thief." 6.00 Report At Six. 7.00 Treasure Hunt. 7.30 Two's Company. 8.00 The New Avengers. 10.30 Late With Danton. 10.50 Late Night Movie: "Dr. Cook's Garden." †12.18 a.m. News and Weather in French.

GRAMPIAN

10.35 a.m. Breaktime Five. 10.40 Rogue's Rock. 11.30 One of Our Airfields. 11.55 The Woozies. 1.20 p.m. Grampian News Headlines. 2.25 Hawkins. 5.15 The Mary Tyler Moore Show. 6.00 Grampian To-day. 7.00 Welcome to the Ceilidh. 8.00 The New Avengers. 9.00 Des O'Connor Entertains. 10.30 The Friday Film: "Prudence and the Pill," starring Deborah Kerr and David Niven. 12.30 a.m. Evening Prayers.

GRANADA

9.30 a.m. Sesame Street. 10.25 Sea Snakes of the Coral Sea. †11.15 Chess Masterpieces. 11.25 Clapperboard. 11.45 Baldmoney, Sneezewort, Dodder and Cloudberry. 1.20 p.m. What on Earth. 2.25 Mystery Movie: McMillan and Wife. 5.10 This Is Your Right. 5.15 Crossroads. 6.00 Granada Reports. 6.30 Kick Off. 7.00 Cartoon. 7.05 Jonathan Routh and Candid Camera. 8.00 The New Avengers. 9.00 Des O'Connor Entertains. 10.30 Red Roses Every Night: Humphrey Bogart in "Sahara."

HTV

10.25 a.m. Hammy Hamster's Adventures on the Riverbank. 10.35 Breaktime 5. 10.40 Rogue's Rock. 11.30 One Of Our Airfields. 11.55 The Woozies. 1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Women Only. 2.25 Out Of Town. 2.55 Born Free. †5.15 Chucklehe ads. 5.20 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 Bless This House. 7.00 Night Gallery. 7.30 Six Million Dollar Man. 8.30 Sale Of The Century. 9.00 Des O'Connor Entertains. 10.35 Report Extra. 11.05 Terror! "The Blood Beast Terror."

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y dydd. 4.15-4.45 The Woody Woodpecker Show. 6.00-6.15 Y Dydd. 6.30-7.00 Pollination! 10.35 Outlook. 11.05 TERROR! "The Blood Beast Terror."

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.15-6.30 Report West.

SCOTTISH

10.35 a.m. Breaktime. 10.40 Rogue's Rock. 11.30 One Of Our Airfields. 11.55 The Woozies. †1.25 p.m. Road and Weather Report. 2.00 Women Only. †2.25 Friday Matinee: "Non Stop New York." 5.15 Calimero. 5.20 Crossroads. 6.00 Scotland Today. 6.35 Jonathan Routh and Candid Camera. 7.00 Meet Marie Gordon-Price. 8.00 The New Avengers. 9.00 Des O'Connor Entertains. 10.30 Ways And Means. 11.00 Late Call. 11.05 Feature Film: "The Letters."

SOUTHERN

10.00 a.m. Baldmoney, Sneezewort, Dodder and Cloudberry. 10.10 Survival. 10.35 Breaktime 5. 10.40 Rogue's Rock. 11.30 One Of Our Airfields. 11.55 The Woozies. 1.20 p.m. Southern News. 2.00 Women Only. 2.25 The Friday Matinee: "The Forgotten Man." 5.15 Weekend. 5.20 Crossroads. 6.00 Day By Day (Channels 6, 11, 27, 42, 58 and 60). 6.00 Scene South East (Channels 10, 43, 64 and 66 only). 6.35 Out Of Town. 7.05 Jonathan Routh and Candid Camera. 8.00 The New Avengers. 9.00 Des O'Connor Entertains. 10.30 A Southern Report. 11.00 "Can Ellen Be Saved?" 12.30 a.m. Southern News Extra.

TYNE TEES

10.30 a.m. Starting Point. 10.35 Breaktime 5. 10.40 Rogue's Rock. 11.30 One of Our Airfields. 11.55 The Woozies. 1.20 p.m. North East News and Lookaround. 2.25 The Friday Film Matinee: Hawkins. 5.15 The Flintstones. 6.00 Northern Life. 7.00 Cartoon Time. 7.05 Jonathan Routh and Candid Camera. 8.00 The New Avengers. 9.00 Des O'Connor Entertains. 10.30 Sportstime. 11.05 The Friday Night Film "Die Monster, Die" starring Boris Karloff. 12.35 a.m. Open Bible.

ULSTER

10.35 a.m. Breaktime. 10.40 Children's Drama. 11.30 One of Our Aircraft. 11.55 The Woozies. 1.20 p.m. Ulster News Headlines followed by Lunchtime. †2.25 Friday Matinee: "Abbott and Costello Go To Mars." 3.48 Ulster News Headlines. 6.00 UTV Reports. 6.25 Police Six. 7.00 Phyllis. 8.00 The New Avengers. 9.00 Des O'Connor Show. 10.30 Sportscast. 11.00 Friday Film: "She Waits."

WESTWARD

10.10 a.m. Elephant Boy. 10.35 Breaktime 5. 10.40 Rogue's Rock. 11.25 One of Our Airfields. 11.55 The Woozies. 12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 2.25 The Friday Matinee: "Thief." 6.00 Westward Diary and Sports Desk. 7.00 Treasure Hunt. 7.30 Two's Company. 8.00 The New Avengers. 10.32 Westward Late News. 10.35 Late with Danton. 10.50 Late Night Movie: "Dr. Cook's Garden," starring Bing Crosby. 12.10 a.m. Faith for Life.

YORKSHIRE

10.30 a.m. The Stationary Ark. 10.55 Ginormous Forest Dragon. 11.05 Search For The Super. 1.20 p.m. Calendar News. 2.25 Hawkins. 5.15 The Flintstones. 6.00 Calendar (Emley Moor and Belmont editions). 7.00 Cartoon Time. 7.05 Jonathan Routh and Candid Camera. 8.00 The New Avengers. 9.00 Des O'Connor entertains. 10.30 Calendar Sport. †10.45 The Friday Night Film: "36 Hours."

RADIO 1 — 247m

(S) Stereophonic broadcast.

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Paul Burnett, including 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) (also on VHF). 4.30 It's DLT OK! 5.45 Newsbeat. 6.02 John Dunn (S) (joins Radio 2). 11.00 John Peel (S) (also on VHF). 12.00-12.05 a.m. As Radio 2.

RADIO 2 — 1,500m and VHF

6.00 a.m. News Summary. 6.02 Colin Berry (S), including 6.15 Pause for Thought. 7.02 Terry Wogan (S), including 8.27 Racing Bulletin, 8.45 Pause for Thought. 10.02-11.30 Harry Carpenter's Open House (S), including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.50 p.m. Sports Desk. 1.55 Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1, but including on 1500m only (also 202m Scotland) 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.45 John Dunn (S), including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 The 75 Show. 7.30 Sammes' Songs (S). 8.02 Jack Dorsey conducts the BBC Radio Orchestra (S). 9.02 Friday Night Is Music Night (S). 10.02 Sports Desk. 10.06 Take Your Partners at the Radio 2 Ballroom (S). 11.02 Len Jackson with The Late Show (1500m only, also 202m Scotland. VHF joins Radio 1). 12.00-12.05 a.m. News.

RADIO 3 — 464m, Stereo & VHF

†Medium Wave only

6.55 a.m. Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Nielsen (S). 9.45 BBC Northern Ireland Orchestra (S). 10.30 Concert Club (S). 11.45 Baroque Instruments (S). 12.15 p.m. Mid-day Prom, part 1. 1.00 News. 1.05 Playbill (S). 1.20 Mid-day Prom, part 2. 2.00 Cello and Piano recital (S). 2.50 Youth Orchestras of The World, part 1 (S). 3.40 Interval Reading. 3.45 Concert, part 2. 4.35 Weber Piano Sonatas (S). 5.25 Tuba Sounds (S). 5.45 Homeward Bound (S). 6.05 News. 6.10 Homeward Bound (continued). †6.30 Lifelines: Leisure and Recreation. 7.30 Music For a Royal Occasion (S). 7.45 English Chamber Orchestra, part 1 (S). 8.25 Government and the Civil Service (talk by Lord Crowther-Hunt). 8.45 Concert, part 2 (S). 9.35 A Goal for Ecologists. 10.20 The Death of Everyman (S). 10.45 Music Now. 11.25-11.30 News.

Radio 3 VHF only—6.30-7.30 a.m. Open University.

RADIO 4

434m, 330m, 285m and VHF

6.20 a.m. News. 6.22 Farming To-day. 6.40 Prayer for the Day. 6.45 To-day. 7.00 News and more of To-day including 7.25 (VHF) Regional News. 7.45 Thought for the Day. 8.00 News and more of To-day including 8.25 VHF Regional News. 8.45 Yesterday in Parliament. 9.00 News. 9.05 Voice of the People. 10.00 News. 10.05 Checkpoint. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 With Great Pleasure. 11.50 Over the Farm Gate. 12.00 News. 12.02 p.m. You And Yours. 12.27 Just A Minute. †12.55 Weather, programme news VHF (except London and SE) Regional News. 1.00 The World At One. 1.30 The Archers. 1.45 Woman's Hour from Cardiff, including 2.00-2.02 News. 2.45 Listen With Mother. 3.00 News. 3.05 Afternoon Theatre. 4.00 News. 4.05 Any Answers? 4.35 Story Time. 5.00 PM Reports. 5.50 Financial Report VHF Regional News. 5.55 Weather; programme news. 6.00 News. 6.15 Harry Worth. 6.45 The Archers. 7.00 News. 7.05 The World in Focus. 7.25 Party Political Broadcast on behalf of the Liberal Party. 7.30 Pick of the Week. 8.30 Any Questions? 9.15 Letter from America. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.45 A Book at Bedtime. 11.00 The Financial World Tonight. 11.15 To-day in Parliament. 11.25 Week Ending . . . 11.48 News.

BBC Radio London

206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Nick Lucy with Rush Hour. 9.00 Lobby. 9.20 Richard Vaughan with London Live. 11.03 Jenny Thompson and Diana Rice with In Town. 12.03 p.m. Call In, including 12.45 London News Desk. 2.03 Paul Owens with 206 Showcase. 4.03 Tony Fish with Home Run. 6.00 London Sports Desk. 6.30 Look, Stop, Listen. 7.30 Jenny Thompson and Diana Rice with In Town (as 11.03 a.m.). 8.30 Black Londoners. 10.03 Andy Finney with Single File. 12.00 Closedown: as Radio 2.

London Broadcasting

261m and 97.3 VHF

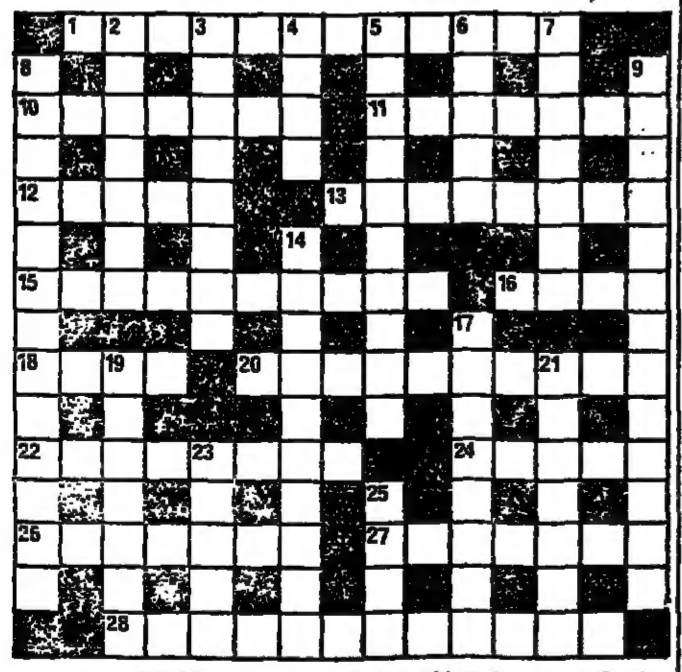
5.00 a.m. Morning Music. 6.00 "AM" breakfast-time show. 10.00 Brian Hayes. 1.00 p.m. Newswatch. 5.00 Newsbreak. 8.00 Music in Stereo. 9.00 Nightline. 1.00-4.30 a.m. Nightwatch—news every half-hour.

Capital Radio

194m and 95.8 VHF

6.00 Graham Dene. 9.00 Michael Aspel. 12.00 Dave Cash. 3.00 p.m. Roger Scott. 7.00 London Today. 7.30 Adrian Love. 9.00 Nicky Horne. 11.00 Tony Myatt. 2.00-6.00 a.m. Night Flight.

F.T. CROSSWORD PUZZLE No. 3,256



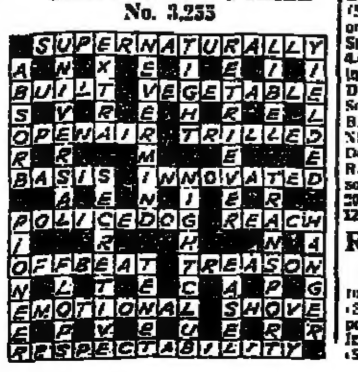
ACROSS

1 Pocket animal surreptitiously? That's just what he may do! (12)
10 Male relative gets one but it's soiled (7)
11 One who loves should play for nothing (7)
12 Goes about the north and eats (5)
13 Broken pieces one left may be distinguished (8)
15 Instrument to organise crime scoop (10)
16 Component of 15 which is partly woollen stuff (4)
18 Name a unit zero (4)
20 One who knows his ropes or maybe someone at the door (4-6)
22 Irresistible article left might go to your head (8)
24 Keep on complaining about internal pain (5)
26 Left unemployed ship without cover (7)
27 When about to eat—or what it may be (7)
28 Mean cheering about split peas (6-6)

DOWN

2 Senior airman gets on in charge but is taciturn (7)
3 Where reporters may be seen in crowd going to fight (5-3)
4 Possesses part of township (4)
5 A mother's forbidden fruit that sticks in the throat (5-5)
6 I'm taking time for reflection (5)
7 Rent providing credit for oriental sin (7)
8 A sum of money to ratify solemnly and agree essentially (13)
9 Two cloths put to worker by one who commands attention (5-8)
14 Scents it is mixed by knowledgeable people . . . (10)
17 . . . taking learned part in play (4, 4)
19 I'm no cad but could be unsettled (7)
21 Information about roll creating a gleam (7)
23 Birds instruct horse to move on to the south-east (5)
25 Hands put up for exchange (4)

SOLUTION TO PUZZLE No. 3,255



Cinema

Bertolucci

by NIGEL ANDREWS

The Spider's Stratagem (A) Academy 2
My Name Is Nobody (A) Gala Royal
Cooley High (AA) Classic Victoria
Exhibition (X) Pigalle Coventry St., Studio One Jacey Trafalgar Square and Classic Praed St.
Harold Lloyd National Film Theatre

It is just as well that Bertolucci's *The Spider's Stratagem*, already six years old, has arrived in London now and not in the later, disillusioning wake of his newest film *1900*. The latter's unveiling at Cannes proved the rudest blow yet to Bertolucci's admirers; obliging them to ask themselves, on the evidence of this marathon exercise in radical kitsch (the film lasts 5½ hours and runs through more soap opera crises than *Gone With The Wind*) if they had been right to greet Bertolucci's previous films with quite such incautious enthusiasm. Hadn't there already been warning signs of Bertolucci's weakness for the decorative and the fatuously flamboyant in *The Conformist* and *Last Tango In Paris*?

Buffeted by such doubts, *The Spider's Stratagem* still stands up nobly and looks like surviving as Bertolucci's best film. It was made for Italian television, and the smallness of scale is a blessing. Not even Bertolucci can do a David O. Selznick with the elusive, teasing story idea this film boasts (it is based on a tale by Borges) or with its comparably unostentatious budget. And although the film is sumptuously photographed — golden, sun-baked exteriors, mellow, dusty interiors — the beauty of the images is of a piece with the film's mood and theme: part of the seductive, trompe l'oeil world into which the hero is drawn and in which, victim of the subtle [illegible] presaged in the film's title, he is finally trapped.

He is one Athos Magnani Jnr. (Giulio Brogi), a young man returning to his home town, somewhere in Northern Italy, at the sudden, mysterious summons of his late father's mistress. That father, an anti-fascist hero who died 30 years earlier (allegedly by an assassin's bullet), is commemorated everywhere in the town: by a bust in the main square, by a plaque over his tomb, by the reminiscences of his three closest friends, who eagerly court the newly arrived son and ply him with accounts of father's last days and of his stubbornly mysterious death.

It is to find the agents of the latter, and to avenge himself upon them, that the father's mistress has summoned him. But the truth is not easy to come by. There are odd, malicious attempts to baulk his inquiry—he is locked in a stable overnight, he is thrown off a bullying landlord's estate, he is led a strange dance by his father's three friends. A kind of truth does finally emerge: lurking in the revelation that his father's death coincided with an abortive attempt to assassinate the visiting Mussolini. But the killers themselves remain unidentified and unavenged, and there is a neatly final metaphor of perplexity in the film's last shot of the departing hero gazing wistfully at the railway tracks choked by grass and weeds.

How time blurs the straight line of history, and how the search for truth does not always lead one to truths one wished to discover, are the film's twin themes. Bertolucci builds his story like a spider's web — concentric circles of delusion and mystery around a central, deadly truth. All the strands are connected, even if some cross at right angles: and in the light of the film as a whole, even bafflingly staged scenes like the hero's interview with one of his father's friends, a salami-maker, under a ceiling hung with aromatic sausages (which the latter prods and sniffs appreciatively as he talks) take on a cunning resonance. The film is cleverly scripted, immaculately played and magically photographed: in short, well worth the six year wait Londoners have had to endure to see it.

*

Sergio Leone's new Western *My Name Is Nobody* is a comparably brain-teasing piece: another essay on how history can be written and re-written to suit the whims of its protagonists. One says "Sergio Leone's Western," but in fact Leone had less to do with the film than the publicity might suggest. The screenplay is by Ernesto Castaldi, the director is Leone's one-time assistant Tonino Valerii. Leone is officially credited only with the story idea. What matters is that the Leone style, familiar from the "Dollar" trilogy and from *Once Upon A Time In The West*, has survived intact: in the loving and sonorous way in which the sacred rituals of the Western are played out: in the slow, sultry, fly-buzzing pace; in the sudden detonations of violence; in the stylistic brinkmanship with which the film teeters on the edge of parody without quite falling over.

Giulio Brogi (right) in 'The Spider's Stratagem'

The plot is a variation on the old-gunfighter-meets-young apprentice theme: the former appearing in the shape of Henry Fonda, as a veteran gunslinger about to leave for a well-earned retirement in Europe, the latter incarnated by Italian star Terence Hill as a brash and bright-eyed young tiro who refuses to let Fonda pass out of America before he has helped him pass into legend. A series of valedictory gunfights are duly arranged, the last of which pits Fonda's lone skills against the massed fire-power of the 150-strong "Wild Bunch."

If that last name seems familiar, it is no accident. The in-jokes in this Western fly thick and fast (in a scene set in a churchyard, there is even a tombstone commemorating one Sam Peckinpah). But the brilliance of the film lies in the way a plot packed with seemingly irrelevant set pieces (a gunslinging display by Hill in a saloon bar, a shoot-out in a fairground hall of mirrors) turns out thematically to be of a wondrous whole. The West and its rituals are seen as a gigantic and elaborate game, in which glory and survival are seldom compatible aims but in which the would-be hero must never sacrifice (or be seen to sacrifice) the first to the second. Hill thus serves not only as the guardian angel of Fonda's earthly integrity (he even carries his fleece-lined saddle on his back like a pair of celestial wings) but as his escort to historical immortality.

The Entertainment Guide is on Page 32

This is one of those rare films, packed with witty asides and allusions, that keep one's mind and one's eyes constantly on the alert. And one's ears also: Ennio Morricone's score provides a sprightly original theme for Hill's character, and also plays cunning variations on the Ride of the Valkyries (theme for the Wild Bunch) and on the crooningly familiar "My Way" (theme for the departing Fonda). The film's dialogue boasts a splendid line in homespun cynicism ("There are two things that go straight to a man's heart—bullets and gold"), there is a lively supporting cast, and altogether this belated Italian import gets my unhesitating nomination as the best Western of 1976.

*

Any thumbnail summary I give of *Cooley High* is likely to drive moviegoers away in their hundreds. The film's unpromising setting is a high school in a negro quarter in Chicago; the time is 1964; the characters are a group of black schoolchildren negotiating what the Press handout primly describes as "the transition from the teenage mentality to young adulthood."

Early fears of an all-black *American Graffiti*, however, quickly evaporate. The film has a fierce, funny and wholly delightful energy of its own. We not only laugh at the characters as they run the gamut of adolescent hot-headedness from heavy petting at crowded parties to hell-raising on the night streets, we are also moved by the diffident hopes and dreams that struggle to the surface through the social chaos of their lives. The skill with which the film draws together the random threads of its screenplay (by Eric Monte) first into a coherent story, then into a genuinely poignant ending, suggests that its director Michael Schultz is a name well worth watching in the future.

*

Take no notice of the furore lately attending the GLC's decision to give a certificate to the French film *Exhibition* after it had been refused one by the censor. This documentary about the life and work of sex film actress Claudine Beccarie was strong stuff when I saw it last year at Cannes, but it reaches London in as butchered and bowdlerised a form as does most imported celluloid eroticism. Female nudity and female couplings have got by largely unscathed, but glimpses of male genitalia have been assiduously pruned. Since both the GLC and the film's British distributors are busy vociferously claiming that this is the "uncut" version of the film, one wonders on what editing room floor those doomed fragments now lie. Whatever the answer, the film that survives to reach no fewer than four London cinemas this week is hardly less tame and plodding an essay in titillation than most of its current raincoat-trade brethren.

*

The National Film Theatre's Christmas treat this year is a Harold Lloyd season: a 15-film tribute to the American comic with the glasses, the gangling legs and the irresistible urge to scale tall buildings. The season lasts till the end of December, and in a commendable burst of Christmas cheer the NFT has announced that members may bring their families.

Elizabeth Hall

Jean-Rodolphe Kars

by DAVID MURRAY

There are pulses and pulses: urgent, sluggish, skittish, mechanical, domineering, subliminal. All but some quite recent music presupposes a pulse, though it isn't directly notated—the metre in which a piece is written is only a guide to it. Debussy's reputation as the composer who did most to free music from the rhythmic shackles of 19th-century Teutonic music has redounded upon him in the form of a bad performing tradition, so rhythmically inert as to render his pieces mere collocations of pretty events. Jean-Rodolphe Kars' piano-playing is remarkable above all for its pulse, which is strong, serene and immensely steady. Without forcing, it welds phrases into whole paragraphs: nothing is left to float unmoored. Not that he ever sounds metronomic (between the pit and the pendulum there is nothing to choose): but the sense of measured progression is impressive.

Last night he played six of the Preludes from Debussy's Book I to great effect, granted his customary sobriety — one could wish the *Sérénade interrompue* to have a more cutting ironic edge. The statelier pieces suit him best: translucent sheen is more his style than glitter, though his technical security is proof against accidents at any speed. The finale of Schubert's "*Wanderer*" Fantasy showed that splendidly. All the same, the temperature of the piece rose only to a certain point. The Kars pulse has more to do with the head than with the feet: the passage-work of the variations was impeccable, but after that the Scherzo was too refined and unrobust to bring its usual relief from the threat of Hummel — the Trio was a song sung under a cold moon.

The strength of his Liszt group stemmed again from the pulse. It was implacably sustained in the late, strange *Trauermarsch*, and it bore up the chant of St. Francis proceeding devoutly over the wild waves. In the *Petrarch Sonnet no. 104* everything was exquisitely shaped, but Kars doesn't yet commend the rhetorical accents of passion, and it hardly sounded a personal utterance. I would pass over the Bach with which he began, had it not occupied a quarter of the programme: it was the sort of Bach piano performance—graceful and boneless, heavily pedalled, all the part-playing limp—which one hoped the example of Glenn Gould had stopped dead 20 years ago. Much of the rest was memorable. It ought to be said that playing of this quality deserves a far better piano; Kars coped heroically with one that sounded like paper in the bass and like bent pins at the top, a credit to his aplomb.

Sadler's Wells Theatre

Davies and North

by CLEMENT CRISP

London Contemporary Dance Theatre has shown us two new works from its Associate Choreographers during the past two days. Last night Siobhan Davies' *Step at a Time* was on view, the fruit I gather of a sabbatical session in New York working with Merce Cunningham and Richard Alston. It is, I hope, no disrespect to the piece to say that it bears the imprint of these studies. It is "white" choreography, arguing very carefully the merits of movement purged of any emotion clutter.

At curtain rise a series of projections on a front gauze show the white outline of a dancing figure, more calligraphic than representational, which seem an ideal of stripped, clean movement that must underlie the dance to come. The last projection is replaced by Linda Gibbs in a white leotard, while the rest of the company is gradually presented in billowing white track-suits.

Thereafter the text of the ballet deals the contracts and conflicts between movement seen clearly in leotards and bodies obscured in the voluminous suits, with the dancers appearing in both guises. The choreographic manner stresses line and the emergence of precise forms out of imprecision: it is, not accidentally, a comment upon the creative act itself, especially in regard to the refining of stylised movement from the swirling energy of everyday activity.

It is a work of considerable interest, at its best in the writing for Linda Gibbs and in a long, lean duet for Miss Davies and Tom Jobe. If it has a fault on a first viewing, it is in the sometime monochrome effects of the dances, which lack any very definite high point, but Miss Davies' talent rings out true at every moment, and the overall shape—culminating in a repetition of the device of projections which eventually fade into the air like some vision of an ideal —is satisfying. There is a well-wrought score for two celli from Geoffrey Burgon, and the company performance is excellent, with Linda Gibbs a particularly beautiful and elegant figure.

On Wednesday night we saw Robert North's *Just a Moment*, which serves as a jolly introductory piece to the company as well as to the most relaxed aspects of Modern Dance. Mr. North is a fluent maker of dances; their high-stepping energy and ingratiating charm are here very attractive. Six dancers come on stage, calling out their Christian names, and thereafter allegro/adagio/allegro/lento sections explore, sometimes happy, sometimes serious encounters. The score is a sound-track from (I quote the programme) Bob Downes and Kool and the Gang, and beyond that I am not prepared to go—and there are coloured projections to catch the eye. It is unpretentious, jokey, and no bad thing to intrigue an audience about the happy qualities of modern dancing.

Festival Hall

Barenboim

by PAUL GRIFFITHS

For his concert with the London Philharmonic Orchestra last night, Daniel Barenboim chose a programme of Mahler and Bruckner, a conjunction to make one wonder again that these two composers could ever have been linked together as a pair. Before the advertised proceedings, however, Dietrich Fischer-Dieskau, the evening's soloist, announced that the orchestra would play Elgar's *Nimrod* in memory of Lord Britten. The choice of elegy may have been a little odd, but the gesture was a moving one, particularly in the presence of a singer intimately associated with several of Britten's works.

After the tribute, Fischer-Dieskau went on to sing in the Mahler part of the evening, five songs chosen from his settings of poems from *Des Knaben Wunderhorn*. The selection focused on Mahler's sentimental lyricism and his bleak heroics, the two nicely brought together in this performance of *Der Schildwache Nachtlied*. A military march, *Revelge*, began the group, and here Fischer-Dieskau caught precisely the shrugging but embittered cynicism of one who has witnessed too often the deadly harvest of war. There was, however, a moment of strain, and he seemed happier in a more low-lying soldier's song, *Der Tamboursg'sell*, where again he fixed on the appropriate grim mood. Such songs do not offer much opportunity for conventional beauty of tone, but Fischer-Dieskau was able to give a winning show of that, and of natural phrasing, in *Wo die schönen Trompeten blasen*.

Barenboim and the LPO provided beautiful support in these songs. The textures were carefully wrought, the rhythms keenly felt, and there was much fine playing from brass and woodwinds. Yet soon both conductor and orchestra were to adapt themselves with similar success to the very different sounds and time-scale of Bruckner's Ninth Symphony, given here in the Nowak edition.

Success was not quite complete in the first movement, where Barenboim heaved up blocks of stone to construct a monument, but rather forgot about the mortar. There were several places where continuity was lost, and the heavy physical feel brought to the music was not convincing. But this was a performance which grew in spirituality—not so much in the second movement, where the trio had too Mendelssohnian a lightness, but certainly in the third. Here Barenboim's warm drawing of lines kept up some forward motion, even at a speed of glacial flow. The movement achieved a radiant calm and became the perfect finale, making any continuation to this unfinished work quite unimaginable.

New studio pottery at the V & A

Recent acquisitions of ceramics, glass and enamels are now to be seen in a case newly installed on the staircase leading from the main entrance hall to Room 127 of the Department of Ceramics. This is the first of a series of proposed displays, to be changed at roughly two-month intervals, in which the Department will exhibit a selection of 20th-century studio pottery.

RNCM Theatre, Manchester

Stars and Shadows

by ELIZABETH FORBES

Stars and Shadows is an hour-long one act opera commissioned by the Royal Northern College of Music, Manchester, from Brian Hughes. With a text by Ursula Vaughan Williams, the work is intended to form a companion piece to *Riders to the Sea*, Ralph Vaughan Williams' setting of the tragedy by J. M. Synge, and the double bill was [illegible] presented in the RNCM Theatre on Tuesday evening, when *Stars and Shadows* received its first performance, conducted by the composer, who is on the staff of the College, produced by Brenda Upton and designed by Michael Holt.

The scene is the stage of a theatre, two impresarios are holding auditions for a pantomime (the set-up is akin to that of *A Chorus Line*). Rose, the stage-struck young girl friend of Bill, the theatre electrician, dreams of fame and glory. When the audition starts she hides in a dress basket. The boys and girls seeking engagements go through their paces; they sing or dance and boast of their previous triumphs in pantomime. Rose's mother arrives looking for her daughter but is persuaded to leave. The audition over, Rose emerges from her basket, and helped by the magical illusion of lighting provided, reluctantly, by Bill, she secures a contract and goes off to lunch with the impresarios. Bill rips out the electric cable that has supplied the magic.

Ursula Vaughan Williams and Brian Hughes wrote their opera especially for students: a large cast gives opportunities to the greatest number of singers; the vocal line is purposely not too taxing for young voices; the scoring is light, the style eclectic. Only Rose is given any real individuality in her music: the rest are stock types, while the audition pieces resemble music [illegible] it turns, often amusing, occasionally sad. The concerted numbers, such as the ensemble "Who is Rose?" contain the best writing in the score— Hughes, chorus master at the College, obviously feels at ease [in] that kind of composition. The [illegible] is colloquial, but slightly old-fashioned in its expressions. The performance, [illegible], is generally excellent. [illegible] Stainer, a small, pretty girl with a small, pretty voice, makes a charming Rose, while Hugh Hetherington (tenor) evokes sympathy as the unfortunate Bill. With a cast of 25 it is not possible to mention, or even to differentiate, all the characters, but certain singers do impress for one reason or other. Stephen Briggs and Galloway Bell as Crage and Swoop, the two impresarios with their minds more on luncheon than on the audition, amusingly caricature their roles: Vanessa Williamson as Mrs. Miggs, Rose's mother, Robert Dean as Jimmy, the established performer, Patricia Byrne as Liz, an auditionee of independent frame of mind, Robin Martin as Mick (counter-tenor) and Mark Curtis as Fred (lyric tenor), all show promise.

If *Stars and Shadows*, despite its modern trappings, is basically a fairy story, a variation on the Cinderella theme, *Riders to the Sea*, under its surface covering of stage-Irish and religious sentiment, has a core as hard and bleak as the rocks of Arran Island, the setting of Vaughan Williams' operatic masterpiece. Austerely produced by Euan Smith, well designed by Richard Marks and conducted by Andrew Penny with a reserved but none the less evident feeling for the emotional content of the music, *Riders to the Sea* makes a powerful impact. Maria Jagus as Maurya, Elaine Luxton as Cathleen, Christine Thompson as Nora and Anthony Davis as Bartley give strong, controlled performances. The RNCM Orchestra, who play nicely for Mr Hughes, find an extra dimension when confronted by a score of such quality as the Vaughan Williams.

BBC appointment for Mackerras

The BBC has announced the appointment of Charles Mackerras as chief guest conductor of the BBC Symphony Orchestra. Mackerras follows Colin Davis and joins Pierre Boulez in this joint position.

His first major concert with the orchestra will be at the Festival Hall on May 4 next, when he conducts works by Mozart and Mahler.

Greenwich

Tartuffe

by B. A. YOUNG

At the opposite end of the dramatic spectrum from the Théâtre Nationale Populaire, the Greenwich company plays Molière's *Tartuffe* as a family comedy set in a prosperous Victorian sitting-room. The men in their frock-coats and the women in the pretty long-skirted dresses Peter Rice has designed for them give the scene the look of a Du Maurier drawing from a Punch of the last century, and the acting is kept to a naturalistic level that would never have caused the raising of an eyebrow in such august surroundings.

It has, I think, been confined to rather too low a tone, so that although the story and its moral are displayed with exemplary clarity the fun is almost entirely missing. The translation is by the director, David Thompson. It is in verse, often in rhyming verse, but very conversational in sound, especially as the company delivers it with much freedom in the observation of the rhythm. Suddenly they may discover that, like M. Jourdain, they are speaking prose, and to my mind a translation that throws the verse over so completely might as well be in prose.

The playing, all the same— within this limitation—is really pretty good. We begin with an outstanding Madame Pernelle by Betty Hardy, a trim, correct figure with a suggestion of Queen Mary about her. There is a properly positive Dorine from Freda Dowie, certain of her right to tell everyone what to do; a coltish Damis (Neil Daglish), a pretty Mariane (Lynne Miller), a rather unromantic Valère (Scott Antony) who even in this well-behaved house might permit himself more passion. He ought certainly, though this must be the director's responsibility, be less restrained towards Mariane when his fortunes are reversed at the end. Victorian correctitude is all very well, but he even kisses Dorine before he kisses his fiancée; while she sits on the sofa beside her grandmother.

Orgon is played by Ewan Hooper in a very down-beat mood, quiet and contained, though brusque. Even quieter is Leonard Rossiter's Tartuffe, but this is a different kind of quietness, the sinister tone of a gangster. Mr. Rossiter, neatly turned out in somewhat ill-fitting garb, creeps about the stage as quiet as a time-bomb, dripping his nauseous hypocricies in a menacing half-voice. He looked as if he might turn into a beetle, like Kafka's unhappy character; only this would have been a scorpion.

Elmire (Ursula Mohan) brings a small occasional table into the middle of the room for Orgon to hide under when she sets her trap. If I had been Tartuffe, I should have looked under this table at once, since it is draped with a handsome drugget which she has removed from the piano (a grand which Dorine likes to play as she talks) and looks most suspicious. This scene is curiously flaccid: I was as indifferent to Elmire's fate as her husband seemed to be.

It is this curious lack of tension that mars what is otherwise a worthwhile production with many points in its favour. More colour, more excitement, that is what it needs.

Welsh National Opera plans

Brian McMaster, General Administrator of the Welsh National Opera, announced the company's plans for the first half of 1977 this week.

The season starts with William Gaskill's production of *The Barber of Seville* and a revival of Michael Geliot's production of *The Elixir of Love*. They will tour Wales's smaller centres—Mold, Aberystwyth and Haverfordwest—between January 25 and February 5.

The company's visits to Southsea, Leicester and Norwich in February and March will show their productions of *Il Trovatore* (in which the Israeli soprano Meni Meckler makes her British debut), *Orpheus in the Underworld* and *The Barber*.

The four-week spring season at Cardiff, opening March 29, opens with the first fully professional British staging of Verdi's *I Masnadieri* since its premiere, in a new translation by Stephen Oliver. It will also include *The Barber*, Britten's *Albert Herring*, Tippett's *The Midsummer Marriage*, besides further performances of *Il Trovatore*.

Iceland may allow U.K. to resume limited fishing

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

BRUSSELS, Dec. 9.

MORE THAN a dozen British trawlers would be permitted to resume fishing in Icelandic waters on a temporary basis from early next year under a tentative agreement worked out between the European Commission and authorities in Reykjavik.

This was disclosed to-day by Mr. Finn-Olav Gundelach, the Danish Commissioner, who has assumed personal responsibility for negotiating external aspects of the EEC's new fisheries policy. But he warned that the chances of Iceland accepting the plan were only "fifty-fifty" and would depend on its Government's ability to satisfy domestic interests.

Mr. Gundelach also told journalists that the Commission was considering offering the Soviet Union an annual fishing quota 50 to 55 per cent. below its 1975 catch in EEC waters after the Community extends its fishing limits to 200 miles on January 1 next year. The Soviet catch last year exceeded 500,000 tons, and a cut of about 50 per cent. would bring it into line with the annual average between 1964 and 1975—about 250,000 tonnes.

The Soviet Union has still not agreed officially to negotiate a fisheries agreement with the EEC, though Mr. Gundelach said that he has received informal indications that it might be prepared to do so. He added that the proposed offer to the Soviet Union enjoyed the tacit approval of the U.K., the EEC member most directly affected by Soviet fishing activities.

In London it is understood that the 250,000 tonnes figure is acceptable to the British Government, provided that it applies only to 1977. The British aim is still that the Soviet catch in Community waters should come down to the level of the Community catch in Soviet waters over a period. That means about 60,000 tonnes.

The period of time is negotiable and has been put at between two and ten years. In fact, five years seems the most likely.

The tentative agreement worked out with Iceland is designed to bridge the gap between the U.K.'s bilateral fisheries accord with Iceland, which expired on December 2, and the negotiation of a more permanent arrangement between the EEC and the Government in Reykjavik. Under the U.K. accord, 24 British trawlers were allowed to fish inside Iceland's 200-mile limit. All of them have now withdrawn.

Mr. Gundelach declined to specify how many British trawlers would be permitted to resume fishing there under the tentative agreement. The exact number would be determined on the basis of catch figures. But he said that he expected the Icelandic Government to spell out details in an "autonomous" statement by the end of next week.

The Commission plans to announce at the same time the size of the annual quota which it plans to offer Iceland under the future reciprocal fisheries agreement.

Mr. Gundelach said that this would be limited by conservation factors to a maximum of 30,000 tons, considerably less than the 44,000 tons which Iceland took from inside the 200-mile EEC limits in 1973.

The Danish commissioner plans to dine privately to-morrow evening with the Icelandic Foreign Minister, Mr. Einar Agustsson, who is in Brussels for the Nato ministerial meeting. He warned to-day that while there was no certainty of securing an interim agreement for U.K. trawlers, failure to do so would result in "real problems."

Meanwhile, the Irish Foreign Minister, Dr. Garret Fitzgerald, paid a flying visit to Brussels to-day to confer with his Dutch counterpart, Mr. Max van der Stoel, who will be presiding over next Tuesday's EEC Foreign Ministers' meeting, at which the Commission's plans for an interim internal fisheries regime next year will be discussed.

Brussels drops plan for food standards

BY OUR OWN CORRESPONDENT

BRUSSELS, Dec. 9.

THE EUROPEAN Commission has decided to drop its controversial proposals for the harmonisation of standards for processed foods throughout the Community in the face of strong opposition from the food industry and reluctance by member Governments.

This was announced this morning by Mr. Finn-Olav Gundelach, the Commissioner responsible for the Customs Union and Internal Market, who said he had concluded that the proposals were no longer realistic and that their adoption would not promote freer trade.

Many of the proposals were introduced as long ago as 1970—two years before Mr. Gundelach arrived in Brussels—and have aroused little enthusiasm among governments of the Nine. They cover ten categories of food, including beer, ice cream, bread, mayonnaise and higher quality confectionery.

Their withdrawal is one of the most tangible results so far of Mr. Gundelach's efforts to steer Commission policy away from harmonisation for its own sake and to concentrate instead on removing technical barriers which can be clearly shown to

In this spirit, he forecast to-day that governments of the Nine would approve before the end of this year proposals requiring certain categories of public supply contracts worth more than £80,000 to be thrown open to equal competition by bidders from all EEC countries.

The contracts involved cover hospitals, universities, scientific research facilities and civilian materials used for defence purposes. hTe total value of this market inside the EEC is expected to be about $20bn. a yaer by 1978, when the proposed directive is due ot take effect.

Mr. Gundelach said the Commission's proposals for a directive on company structure, including worker participation in management decisions, has reached a stage of "very active consideration" and will soon be set out in detail. Companies would be alowed several alternative ways to meet the directive's requirements over a transitional perod.

He also forecast that the EEC directive on company accounts, now in preparation, would be approved early next year, and would take into account the proposals now being discussed in the U.K. for inflation accounting.

He said the Commission is sensitive to the social problems caused by the recession and has tried to show understanding in cases where these have led to violations of internal market rules. However, he said, other cases were clearly due to the adoption of "beggar by neighbour" policies designed to enhance national competitiveness through unfair and illegal means.

New federation to co-ordinate EEC steel production

BY MICHAEL VAN OS

AMSTERDAM, Dec. 9.

THE EEC's leading steel producers decided at a meeting here to-day to formally establish in Luxembourg their new federation, Eurofer. Its chairman will be M. Jacques Ferry, president of the French steel association.

Eurofer—the European Federation of Iron and Steel Industries—is to replace the current "loose" co-operation between European producers—the Club des Siderurgistes—whose chairman, Dr. Dieter Spethmann of West Germany, will oversee Eurofer until M. Ferry's arrival in July. M. Ferry has been appointed for a two-year term.

According to the statement released to-day, Eurofer aims to achieve co-operation between the various national steel organisations and companies and to promote their interests, particularly in consultation with the European Commission in Brussels.

Eurofer is to be established as a corporate body, recruiting its own staff, and may open an office in Brussels. It would aim to contribute towards a "balanced development of the European steel industry" and play an important role in the implementation of the so-called Simonet Plan to ease the problems in the industry.

The idea is that EEC companies would voluntarily reduce their sales within the Community from January 1. Eurofer is likely to use its influence to ensure that the Commission's quotas are adhered to.

Mr. Evert Van Veelen, chairman of Estel, the Dutch-German steel combination, said after to-day's meeting that a more formal and powerful organisation than the Club des Siderurgistes had become necessary because of the bleaker outlook for European steel following the small improvement in the first half of the year. He said Eurofer would deal mainly with the Commission, supplying it with information on company activities, and also with other organisations such as trade unions and governments.

Mr. Van Veelen said that the establishment of Eurofer did not mean that the so-called Denelux grouping, which includes West German, Dutch and Luxembourg steelmakers, would be given up. "However," he said, "if the Eurofer idea works well, the future role of Denelux will only be a very secondary one." He said that there had not been pressure at the meeting to abandon Denelux. "It was feallsed that the companies were already intertwined by commercial and financial ties."

Mr. Van Veelen said that the view taken to-day was that the Simonet Plan could serve to ease difficulties, "but it does not create additional demand, of course."

He also hinted that European producers were in broad agreement over the size of sales cutbacks they would be subjected to in the Simonet Plan, which is due to be published later this month. But be added that when the European situation improved, several parts of the Simonet Plan should be withdrawn "as Brussels would otherwise retain too much influence."

Discussing the general outlook, he said that there was a problem arising from Spanish imports. "The quantities are not tremendous, but their prices behaviour is bad. If the Spaniards have surpluses, they'll sell at any price."

He said that a Commission delegation was to visit Spain on Monday and Tuesday and that it was hoped that a restraint agreement would be reached similar to the one reached with Japan.

Asked whether the diversion of Japanese supplies from the EEC to the U.S. would not induce the U.S. to take protective actions, he said: "If the figures are analysed objectively, it will be found that whereas the Japanese are selling more to the U.S. than in 1974 and 1975, they are delivering less than in the years when a voluntary restraint agreement between the two governments was in force."

Britain guards its curriculum

By David Buchan

BRUSSELS, Dec. 9.

AT THE meeting to-day of the EEC Social Affairs Council, Britain had West German support in continuing to block a Commission directive on the education of migrant and immigrant children.

Msis Margaret Jackson, parliamentary Under-secretary at the Department of Education, said afterwards that the directive, which calls on member states to have migrant children educated in the language of the host country, "marched in heavy boots across hallowed ground in British education—the curriculum."

The only achievement of the Council was to pass a directive to ensure the protection of employment rights of workers whose company was merged with another. Such workers are to be informed "in good time" before a merger which might affect their status takes place. But the directive only holds where there is a change of management or employer, as is frequent on the Continent.

Kissinger promises U.S. boost for Nato

By Robin Reeves

BRUSSELS, Dec. 9.

THE OUTGOING U.S. Secretary of State, Dr. Henry Kissinger, in what was probably his last official discussions with the Nato countries, delivered a message to-day from Mr. Jimmy Carter which promised that the U.S. commitment to the alliance would be "sustained and strengthened."

Dr. Kissinger read the 230-word message to Nato foreign ministers at the opening session of the Atlantic alliance's semi-annual ministerial conference. Mr. Carter's message said: "Our Nato alliance lies at the heart of the partnership between North America and Western Europe. Nato is the essential instrument for enhancing our collective security. The American commitment to maintaining the Nato alliance shall be sustained and strengthened under my administration." Dr. Kissinger's valedictory statement on what was an emotional occasion for him and his Nato colleagues struck an optimistic note. He was reported as saying that the prospects for peace in the Middle East were more hopeful than at any time since 1974.

This is attributed to the lessening influence of the Soviet Union, particularly in Syria, the "evolution" of the Palestine Liberation Organisation, and the moderate stand taken by Saudi Arabia. On Nato itself, he felt the alliance's cohesion was greatly enhanced after the internal dissension of recent years and reiterated that he saw no conflict between the desire for a strong Nato and detente. One was a prerequisite for the other if the West wished to have an inventive detente policy.

Warsaw Pact ministers' meeting due

VIENNA, Dec. 9.

THE HUNGARIAN Defence Minister, Gen. Lajos Czinege, left Budapest for Sofia to-day to attend a meeting of Warsaw Pact Defence Ministers, the official MTI news agency reported. No exact date for the meeting has been announced, but the Hungarian Minister's departure suggested it would start to-morrow or on Saturday.

The Soviet Defence Minister, Marshal Dmitry Ustinov, has been in Bulgaria since Sunday on an official visit. The Defence Ministers' meeting, which follows a Warsaw Pact political summit two weeks ago in Bucharest, may include the announcement of a successor to the alliance's late Commander-in-Chief, Marshal Ivan Yakubovsky, who died at the end of November.

Reuter

Lisbon water supply cut by bomb blast amid poll clashes

BY OUR OWN CORRESPONDENT

LISBON, Dec. 9.

A BOMB explosion cut off 90 per cent. of Lisbon's water supply early this morning, four days before the Portuguese are due to vote in local elections.

This is the second time in four days that bombs have disrupted services here: commuter trains between Lisbon and the suburbs of Cascais and Estoril are just getting back to normal after an explosion damaged the line early on Monday morning. The identity of the bombers is still unknown.

The campaign for Sunday's elections was marred by clashes between police and demonstrators north and south of Lisbon last night. In the university city of Coimbra, 120 miles to the north, Left-wing students who barracked a Socialist Party rally led by the Minister of Education, Sr. Sottomayor Cardia, were chased through the streets by police.

Left-wingers tried unsuccessfully to break up a Christian Democrat rally in the suburbs of Caparica, attended by the Party president Professor Diogo Freitas do Amaral, but again, police dispersed the crowd, injuring two people.

Appealing directly to the thousands of rural workers who seized more than 2.5m. acres of private land last year and set up collective farms or co-operatives Sr Barreto said: "You will lose all you have gained if you entrust yourselves to one party." This appeared to refer to the Communist-sponsored Rural Workers' Union which controls the collectives and has considerable influence over many co-operatives.

On Monday, Sr. Barreto imposed a 10-day ban on Government credits for wages, seed, fertiliser and machinery, the lifeblood of the Alentejo collectives and co-operatives, and demanded that all units immediately hand in accounts for the hundreds of millions of escudos they have received in loans (of which only 18 per cent. have been repaid).

The move is seen not only as a settling of accounts but also as a reminder to the co-operatives that without Government backing, they cannot survive.

In his television speech, Sr. Barreto presented a detailed plan for the agrarian reform providing for official expropriation of a further 1.75m. acres by July, 1977, and assuring farmers who work their own land (but not absentee landlords) the reserve areas of part of their former land to which the law entitles them.

The Government will supervise collective farms and unions will no longer be allowed to control them, he added.

Editorial Comment, Page 16

Poles claim rising exchange reserves

BY DAVID LASCELLES

WARSAW, Dec. 9.

POLAND'S DEBT to hard currency countries in the West is running at a level where annual repayments consume about 20-22 per cent. of its hard currency earnings, the Finance Minister, Mr. Henrik Kisiel, told the Financial Times here to-day. This is aproximately the same level as a year ago, though there may have been a slight increase, the Minister said.

Mr. Kiesel refused to comment on reports that the Polish debt had reached several billion dollars, on the grounds that Poland publishes no information about its balance of payments. He claimed, however, that Western bankers and credit guarantee orgainsations had faith in Poland's creditworthiness and were still leading it money. He also said Poland's foreign exchange reserves were rising. It was a major aim of Poland's policy, he said, not to let the debt become any higher, and his Government had prepared a foreign trade strategy designed to bring the country into surplus over the next four years.

Poland hopes to halve its deficit with the West by the end of next year and reduce it to a quarter in 1973. By 1979, Mr. Kisiel said Poland should be in surplus and this surplus would grow in 1980.

These projections were based on hopes of a Western recovery he said, but he added that if exports to the hard currency area were disappointing, Poland would cut back its imports in order to keep to its target of balancing trade by the end of the decade.

Exports to the West this year have risen 16.5 per cent. in real terms, Mr. Kisiel said, but because of a drop in the world price of goods like coal, earnings had grown more slowly. Poland was getting $4 a ton less for coal this year.

On internal policy, Mr. Kisiel said his main aim was to raise industrial productivity and balance his budget despite the heavy burden of food subsidies. Because of the postponement of food price rises last June, these subsidies would rise by 28 per cent. next year to zloties 150bn. (about £3bn.), equivalent to one sixth of the total budget. Subsidies at this level could not go on for long, and Mr. Kisiel said, food prices must soon go up. He expected them to be raised sometime next year, but step by step rather than all at once.

Other Polish sources close to the Government have said they expect the leadership to make its next bid to raise prices at a special party conference next autumn.

Stagnant output forecast for French industry

BY DAVID CURRY

PARIS, Dec. 9.

EXPECTATIONS OF stagnation in industrial output until the spring of next year and continuing lack of consumer confidence in the French economic situation are the main factors to emerge from a series of economic surveys published over the past few days. The employers' organisation the Patronat and company economists predict general stagnation in industry until the second quarter while the Insee statistics institute's consumer survey shows that pessimism is more widespread than for more than a year.

Forecasts for industrial production vary widely according to sector. While consumer goods have managed a relatively sustained growth, capital goods failed to maintain past the autumn recovery of the earlier part of the year. The halt to the rise in order books and in some areas the exhaustion of orders leave no hope for an early recovery, comments the Patronat.

The worse affected areas, it comments, are those facing "anarchic competition" from overseas.

The Association of Company Economists sees growth resuming in the second quarter of 1977 at a 5 per cent. annual rate, with unemployment staying at around one million over the year. These expectations are based on the assumption that the Government will provide some stimulus to the economy early next year.

Meanwhile, M. Jean Deleau, economic consultant to the advisory Economic and Social Committee, which brings together representatives of various economic groups, has said that the Government's 4.8 per cent. target for economic growth in 1977 looks on the high side and that its belief that employment will improve by 1 per cent. on average also looks optimistic.

On the consumer front Insee finds that 37 per cent. of individuals questioned foresaw a decline in the standard of living and 43 per cent. a rise in unemployment. However, it draws some comfort from the fact that 40 per cent. of its sample expected a slow-down in price rises.

The Institute cautions that the pessimism may be exaggerated due to the fact that people are now having to pay their four to eight per cent. income tax surcharge to meet the costs of the summer drought; that the price freeze has hit small traders; and because of general worries over the problems of maintaining purchasing power.

Schmidt moves to calm storm over pensions

BY ADRIAN DICKS

BONN, Dec. 9.

CHANCELLOR HELMUT Schmidt moved to-night to calm down a storm of indignation in the parliamentary ranks of his Social Democratic Party, aroused by the news that as one of its first actions during the new Bundestag term next week, the coalition Government will postpone for six months the 10 per cent. increase in pensions due to be paid next July 1.

After a special meeting of SPD deputies to-night, Herr Schmidt indicated that he might be ready to give some ground, when he said the coalition's decision would be reviewed by a special working group. Meanwhile, angry SPD members made clear that they would press for a complete reversal of the pension postponement decision.

In its own reaction to the decision to postpone the pension increase, the Christian Democratic Union called Herr Schmidt's action a "monstrous betrayal of election promises," and pointed to one of his many assurances during the election campaign last autumn that "pensions are safe." In a brief statement, the CDU executive said "the Schmidt Government is beginning its work with a shattering breach of promise."

More ominously for the Chancellor, there were strongly hostile reactions from the DGB—the West German counterpart to the trades union congress—as well as from several individual SPD members of the Bundestag.

While there is no denying the embarrassment of the Chancellor and of his coalition partner, Herr Hans-Dietrich Genscher of the FDP, at the manner in which their decision has apparently been leaked, there is also an element of humbug in the criticism that is raining down upon them.

The West German pension scheme is linked, by a complex formula of indexation, to the rate of inflation, in such a way that the 10 per cent. pensioners were to have received next July 1 would in fact compensate them for the steep rise in industrial wages between 1973-75. Thanks to the way in which this mechanism has worked up to now, households dependent on pension income alone now enjoy an average income of DM826 per month that is only 5 per cent. less than that of the average wage-earner's household.

The problem for West Germany is that this generous formula has become extremely costly as the proportion of pensioners to wage-earners in the population rises, and is exaggerated further by high unemployment, lower pensionable age and other factors linked to a lower level of economic activity.

Court commutes Irishman's death sentence

BY GILES MERRITT

DUBLIN, Dec. 9.

IRELAND'S five-man Supreme Court to-day upheld appeals against the death sentences imposed six months ago on Noel and Marie Murray. The verdicts commuting Noel Murray's sentence to life imprisonment and ordering a re-trial for his wife Marie bring to an end the controversy that has raged over the threatened execution of the young couple, convicted of shooting dead a policeman during a bank raid last year.

But the issue of capital punishment in the Irish Republic is far from settled. Next month, a murder trial is due to open in Dublin that may well revive the controversy. Mr. Edmund Hoey, who was charged last month with the murder of Garda Michael Clerkin—the policeman killed in a booby-trap explosion at Portarlington, Co. Laois, in mid-October—also faces execution if convicted.

To-day's Supreme Court verdicts mean that the Irish Government will not be required to decide whether presidential clemency should be exercised in the Murrays' case—a question that, it was feared, could have led to a damaging split in the Cabinet's ranks.

Ireland's Prime Minister, Mr. Liam Cosgrave, has been an advocate of capital punishment as a deterrent and has this year twice made it clear that politically-motivated murderers would face the full rigours of the law. Under the 1964 Criminal Justice Act the death sentence is mandatory for the convicted murderers of policemen, prison warders and the representatives of foreign Governments.

Mr. Cosgrave was notably unequivocal on the use of capital punishment following the assassination in July of Mr. Christopher Ewart-Biggs, the new British Ambassador to Dublin. Many members of his Government, however, are strongly opposed to it. The last judicial hanging in Ireland was in 1954.

The Murrays' appeal was based on the point that the murdered Garda Reynolds was off-duty and in plain clothes when shot while intervening in a Dublin bank raid last September.

To confuse the issue further, the couple are self-confessed "anarchists" rather than members of any recognisable terrorist group. However, other murders committed since fall squarely into the 1964 Act's offence of capital murder and could well require a difficult Cabinet decision on clemency.

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…iew of U.S. accounting …edures is launched

…MER NEW YORK, Dec. 9.

…ncial Accounting …rd, the highly …ate policy-setting …ccounting profes…ly launched its …ublic study into …orporate account…ial reporting in

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…y of the study's …senior execu…lly every large …Mr. Marshall …FASB's chairman, stressed that the investigation "will set the course for financial accounting and reporting for years to come. Every business enterprise in the U.S. has a stake in the project."

The study will begin with a long series of public meetings between the FASB and companies next summer on what it describes as its "conceptual framework project." This will involve a complete rethinking of such basic accounting concepts as earnings, assets, liabilities, revenues and expenses.

To prepare for these public hearings, the FASB will shortly send over 24,000 public companies copies of its own tentative conclusions about the objectives of financial reporting, together with a massive 360-page discussion paper on the issues involved in the "framework project."

Although stressing that its findings so far are very tentative, the FASB did say in its summary that it was not necessarily contemplating making major changes in "historical cost" accounting methods. It did note that discussions would certainly cover the current controversies over means of accounting for inflation.

The Standards Board stressed that it believed that financial *statements on companies* prepared by accountants should above all else help investors and creditors assess a company's prospects and weigh the risks of an investment and the potential rewards.

…lus eases NYC debt load

…N CORRESPONDENT NEW YORK, Dec. 9.

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…of this excess …ich has consis…tself as cash…t everyone by …ow and barring …ions to better …age packages, about $200m. of this surplus is being assigned to debt repayment.

Stressing that they were not aware of this surplus as recently as three weeks ago, city officials said it came from a variety of sources including unexpected Federal Government revenue-sharing payments and pollution control reimbursements.

Although the plan to pay off the $1bn. of debt will still require the financial co-operation of the city's creditor banks and municipal pension funds, officials *of the Municipal Assistance Corporation* (MAC) said the cash surplus will mean that noteholders could receive full rather than partial cash payments.

The repayment package as it now stands will involve the city receiving $200m. from a proposed five-year deferrment on principal payments of $1.8m. debt already held by banks and pension funds. In addition, banks and pension funds will be asked to buy a further $200m. of city debt.

A spokesman for the MAC said the $1bn. total will be made up by means of the cash surplus, sales of $300m. of MAC notes in the public debt market and private sales of about $75m. of MAC notes to large U.S. institutions.

While the discovery of the *extra cash has clearly improved* New York's chances of paying off its debt, this plan could still collapse. This morning neither the banks nor the pension funds were giving any indication that they would be willing to absorb the extra city notes.

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Boeing admits to having paid Venezuelan official

BY OUR OWN CORRESPONDENT NEW YORK, Dec. 9.

BOEING, the world's largest producer of passenger jet aircraft, has admitted that last December, in the midst of the furore over U.S. corporate bribery, it placed a senior official of the Venezuelan government airline on its payroll as a "sales consultant."

Refusing to disclose the size of payment to Mr. Jose Pigna of Viasa Airlines, Boeing to-day stressed that this year-long relationship did not constitute a conflict of interest. "He does not represent us in sales overtures to his airline," a company spokesman insisted.

News of this strange relationship comes almost exactly nine months after Boeing admitted paying out nearly $70m. in commissions to foreign representatives since 1970 in order to help its foreign sales efforts.

At that time, admitting that there were some payments to foreign Government officials, Boeing guaranteed that it would never again make any payments to either Government or airline officials abroad that would constitute a "conflict of interest."

A spokesman for Boeing in Seattle to-day noted that the company hired Mr. Pigna right in the middle of the Securities and Exchange Commission (SEC) investigations into companies' activities overseas. "For this reason, we were double careful," he said.

Boeing said that the only aircraft it has sold to Viasa in *recent years was one modified 737* for the Venezuelan President. It noted that this sale was completed last January and that original negotiations pre-dated Mr. Pigna's ties with the company.

Since its March disclosure regarding foreign payments, Boeing has been involved in a court battle with the SEC to protect the identities of its foreign sales representatives. Earlier this week the SEC asked a Washington federal court to issue an order forcing Mr. Pigna to comply with an earlier subpoena requesting him to testify and turn over documents for the agency's continuing investigation into Boeing's past political payments.

No BIS bids for IMF gold

BY JUREK MARTIN WASHINGTON, Dec. 9.

THE BANK of International Settlements (BIS) was not among the successful bidders at yesterday's *gold auction* conducted by the International Monetary Fund (IMF), the fifth in the series.

The IMF this afternoon released hte names of the 13 successful bidders, who altogether submitted 33 successful bids. Most of the concerns had previously taken part in IMF gold auctions and been successful. The auction was the most successful so far ,attracting a record 25 bidders and 265 individual bids, and releasing the highest price so far, $137 an ounce

The IMF disclosed that the largest number of bids (42) were in the $134-134.99 range. It is possible, therefore, that the BIS either pitched its bid too low, as did many others, or did not participate. The IMF does not release the names of those submitting unsuccessful bids.

Under the common price system that was used in yesterday's auction, the IMF fixes a price on the basis of the bids received and awards those who bid at or above that price in full. In fact the IMF did marginally pro-rate six bids, at exactly $137 an *ounce, for a total of 138,400* ounces, in order to keep to the appointed ceiling of 780,000 ounces. The highest bids submitted yesterday were two, totalling 4.00 0ounces, at $150.

The successful bidders were: J. Aron (of New York), Bank Leu (Zurich), Compagnie de Banque et d'Investissement (Geneva), Degussa Inc. (Teterboro, New Jersey), Friedberg and Co. (Toronto), International Gold and Silver Corporation (Georgetown, Grand Cayman Islands), Johnson Matthey Bankers (London), Mocatta Metals Corporation (New York), Republic National Bank (New York), N. M. Rothschild (London), Sharps Pixley Inc. (New York), Swiss Bank Corporation (Zurich) and the Union Bank of Switzerland (Zurich).

Michael Blanden adds: The gold market reacted favourably to the results of the latest IMF auction.

At the end of dealings in London yesterday the price was $1 up at $137½ an ounce, a little above the level set at the auction.

…can summit at the White House

…TIN, U.S. EDITOR WASHINGTON, Dec. 9.

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…*his own* …manner, has …it he, too, …being party …owever, run …ffer of Mr. …terest in the …h men, of course, appeal principally to conservative Republicans.

Vice-President Rockefeller has been singularly quiet over the state of the party of late but he remains for the moment titular head of its moderate wing, which was strengthened in the Congressional and Gubernatorial elections a month ago.

Mr. Ford has been almost as mute as Mr. Rockefeller, but is believed to be keen to broaden the base of the party. He has lent support to the proposal, advanced by Senator Dole among others, that a committee of leading Republicans, including himself and the other three he is to meet this afternoon, be formed to advise the party on its choice of a new chairman.

The centrist Republican view is that the party must be headed by a "*technician,*" a non-ideological, non-controversial nuts-and-bolts organiser, capable of doing the rebuilding job that Mr. Robert Strauss did for the Democrats between 1972 and 1976. A handful of state party chairmen have indicated that they would be interested in such a job.

But such a compromise scheme could fall foul of the desires of the conservatives, who, in spite of their election setbacks, are traditionally much more effective in intra-party disputes than are the moderates. Mr. Reagan, for example, half implied last week-end that he thought that if moderate Republicans could not stomach conservative party leadership, then he would not be too distressed if they were to find salvation elsewhere.

It is conceivable, though not though not especially likely, that Mr. Ford, who has said he considers himself the nominal head of the party might decide to take on the party chairmanship once he leaves the White House in January.

His Presidential ambitions for the future are clearly non-existent, while those of Mr. Reagan and Mr. Connally, their ages and their recent electoral disappointments notwithstanding, are far from extinguished.

New Smith line on Kissinger proposals

By David Egli

GENEVA, Dec. 9.

RHODESIAN PREMIER Ian Smith appeared to-day deliberately to tone down earlier white Rhodesian intransigence over the Kissinger proposals at the Geneva conference. While he considered the ve principles in what he calls the Anglo-American agreement as the essential basis for the negotiations here, he indicated that there was "room for manoeuvre" within these as long as there was no breach of any major part of the agreement.

He said he was basically concerned with trying to ensure that the conference succeeds. He was prepared to stay in Geneva as long as he was satisfied that it was worthwhile and that his presence was required. Rhodesian Government delegation sources later indicated that they knew of no plans for Mr. Smith to leave Geneva.

Robin Reeves writes from Brussels: Black African negotiating tactics at Geneva came under muted but distinct fire from Mr. Anthony Crosland, the British Foreign Secretary here to-day at the Nato foreign ministers meeting, also attended by Dr. Henry Kissinger, the outgoing U.S. Secretary of State.

Amid growing signs that the Geneva talks are moving rapidly towards deadlock, Mr. Crosland said the main problem resulted from the apparent shift in the initial aim of the conference to work out the size and shape of an interim government for Rhodesia to what seemed to amount to demands for immediate majority rule.

The Foreign Secretary stressed that he and the British Government had not abandoned hope that a peaceful settlement acceptable to all participants could be extracted from the conference He was also careful to sound a note of warning in Mr. Ian Smith's direction. If the Geneva talks were to break down, he had not doubt who would win out on the battlefield, be said.

But a battlefield settlement would seriously diminish the possibility of bringing about a moderate African regime in Rhodesia and would open the way to a more radical solution and external intervention on the part of others, Mr. Crosland argued.

Mr. Crosland and Dr. Kissinger will be holding bilateral discussions on the problem in London to-morrow, together with Mr. Ivor Richard, the conference chairman, who will be flying in from Geneva.

Our Salisbury correspondent writes: A white couple were wounded when the car in which they were travelling was fired on by guerillas, a military headquarters communique announced to-day. The attack took place at a village 30 miles from Salisbury.

Burma likely to receive more aid from abroad

By David Housego

BURMA, WHICH has been diving towards economic bankruptcy, in spite of having some of the richest natural resources in South-East Asia, is likely to receive a greater flow of aid from the industrialised nations.

This emerged at the inaugural meeting in Tokyo last week of the Burma Aid Consultative Group which has been set up to bring together Governments interested in preventing a further waste of Burma's wealth.

Attending the meeting, held under the auspices of the World Bank, were senior officials from Japan, West Germany, Canada, Australia, Britain, France and the U.S. No firm commitments were undertaken, but those present were said to have taken a "cautiously optimistic" view of the new economic measures recently introduced by Burma, largely at the suggestion of the World Bank. The exceptions were France and the U.S., which by their virtual silence at the meeting, indicated that they felt that more substantial changes were needed in Burma before there would be much assurance that aid would not be mis-used.

The measures include a relaxation of controls on prices, especially that of rice. The low returns which farmers have been getting for their rice have provided little incentive to produce, with the result that Burma—once a major rice-exporting nation—recently had scarcely sufficient grain to feed its population. Price controls on other commodities have long resulted in a black market, estimated to be greater than the country's market economy.

Indicative of a change of tack by the regime is an almost unprecentented public admission of grave errors in managing the economy.

Thai claim 'absurd'

By Our Foreign Staff

VIETNAM HAS curtly dismissed as absurd an accusation by Thailand that Vietnam is planning to invade Thailand in two months' time.

Western observers are inclined *to accept the Vietnamese denial* at face value if only because the régime is preoccupied both with maintaining the security of the south in the face of sabotage and outbreaks of violence, and with reconstruction of the entire country after the war.

UN vote for Mideast talks

BY OUR OWN CORRESPONDENT UNITED NATIONS, Dec. 8.

THE UN General Assembly to-day approved by 122 votes to two, with eight abstentions, a resolution calling for the reconvening of the Geneva peace conference on the Middle East not later than the end of March.

Only the U.S. co-chairman with the Soviet Union of the conference and Israel voted against. Their chief delegates explained that their principal objection was to the proposed inclusion of the Palestine Liberation Organisation (PLO) in the negotiations, which have been in recess for three years.

Mr. William Scranton, the U.S. representative, said it was also inappropriate for the U.S. to join in a definition of detailed options or time limits when a new U.S. Administration was about to take office.

The Assembly voted by 91 votes to 11, with 29 abstentions, to adopt an omnibus resolution condemning Israel's occupation of Arab territories, calling for its withdrawal and proposing an arms embargo against the Jewish state. Israel and the U.S. also voted against this resolution. EEC members were divided with Britain, West Germany, the Netherlands and Denmark opposing and the remainder abstaining.

Earlier, General Chaim Herzog, the Israeli delegate, withdrew his resolution submitted this week that also called for the resumption of the talks, but without the PLO. Supporters of the Arab side had introduced amendments to involve the PLO, making the proposition no longer acceptable to Israel.

Reuter reports from Jerusalem: Israel rejected the resolutions, saying they served only to strengthen extremist Arab elements.

Lebanese Premier announces new 'non-political' Cabinet

BY IHSAN HIJAZI BEIRUT, Dec. 9.

A NEW eight-man Cabinet under Premier Dr. Selim al Hoss was announced here to-night. Like its head, all of its members are technocrats with no known political affiliations. It is the first Cabinet under the new regime of President Elias Sarkis, and will help him in the badly needed reconstruction process after 19 months of civil war.

Dr. al Hoss, a 46-year-old Moslem banker, was designated by President Sarkis yesterday to form a new Cabinet. The composition of the Cabinet was along the old confessional lines. The Government, which replaces the caretaker Cabinet of outgoing Premier Rashid Karami, includes four Mohammedans from three denominations, Sunn, Shia and Druze, and four Christians, also of three denominations, Maronite, Greek Catholic and Greek Orthodox.

Since the rivalry is usually the sharpest between the Sunnis and Maronites, the main portfolios went to the Greek Orthodox and Druze Ministers.

Greek Orthodox Fuad Butros became Min'ster of Foreign Affairs, and Druze Sala Salman was named Minister of Interior. Dr. al Hoss himself retained the ministries of Trade, Economy, Industry and Oil, while the Finance Min'stry went to a Maronite businessman, Farid Rafael.

The cabinet list is as follows: Dr. Selim al Hoss, Premier and Minister of Trade, Economy, Industry and Oil; Fuad Butros, Vice-Prem'er and Minister of Foreign Affairs and Defence; Salah Salman, Interior, Housing and Co-operatives; Dr. Ibrahim Shiito, Hygiene and Hydraulic Resources; Amin Bizri, Public Works, Transport and Tourism; Michel Domet, Planning; Dr. Assad Rizk, Labour and Social Affairs, Education and Agriculture; Farid Rafael, Justice, Finance and Posts, Telephones and Telegraphs.

Khedaffi resists Russians

BY DAVID SATTER MOSCOW, Dec. 9.

TALKS BETWEEN Libyan leader Col. Muammar Khedaffi and top Soviet leaders ended to-day amid signs that the Russians were *unsuccessful in* winning him to their view that the best hope for solving the Middle East conflict lies in a reconvened Geneva peace conference.

In the communique issued shortly after Col. Khedaffi left the Soviet Union for Tripoli the two sides agreed that peace in the Middle East can only be achieved if all occupied Arab lands are liberated and the right of the Palestinian Arabs to form their own state was assured. There was no mention of the Geneva peace conference, agreement on Israel's right to exist, or the necessity to work out a *compromise solution in the area.*

The four days of talks were extraordinary in that Soviet Party leader Leonid Brezhnev participated in at least some of the meetings each day. Such high level talks for the leader of a small country who began his political career as a convinced anti-Communist suggests the Russians were attempting to wean Col. Khedaffi away from his rejection of any Middle East settlement which implies recognition of Israel.

U.K. funds led rush from Australia

BY KENNETH RANDALL CANBERRA, Dec. 9.

BRITISH INVESTORS led the rush to take funds out of Australia before the November 29 devaluation. Official statistics issued to-day for foreign investment in Australian business during *the September* quarter show a net outflow of capital to Britain totalling $A68m. (about £42m.). There were outflows of $A24b. (about £15m.) to Japan and $A2m. (about £1.24m.). There were small net inflows for all other countries.

The statistics are he first in a new series compiled by the Australian Bureau of Statistics and give an interesting new view of the effect of exchaneg rate speculation in hte period leading to the Government's 17.5 per cent. devaluation decision—subsequently watered down this week to 15.5 per cent.

There was a total net outflow of business investment during the September quarter of $A127m., compared with a new inflow of $A102m. in the previous quarter. The September quarter outflows were $A50m. for direct investment and $A77m. for portfolio investment and institutional loans. Primary production actually attracted an inflow of $A18m. but there was a flight of $A33m. from manufacturing.

Miki may delay his decision to quit

Prime Minister Takeo Miki of Japan will delay announcing his resignation until he has drawn up a proposal for reforming the ruling Liberal Democratic Party, political sources told UPI in Tokyo. An official spokesman for the Prime Minister said earlier that Mr. Miki planned to retire on Friday. However, it is now thought the Prime Minister now will delay his resignation until early next week. He apparently wants to devote more time to drafting the proposal, a condition he apparently wishes to lay down before he resigns.

U.S. 'may provide reactor to Rabat'

The U.S. rather than France could provide Morocco with a nuclear reactor, informed sources told Reuter in Rabat. King Hassan announced on a recent visit to France his intention to buy a reactor, but an official at the U.S. Embassy in Rabat has said U.S. companies are already offering to build the four uranium extracting plants Morocco would need to obtain the metal from its Western Sahara phosphoric acids.

Editor wins appeal

Mr. Donald Woods, editor of the Daily Dispatch of East London, succeeded yesterday in an appeal against his conviction and six months' prison sentence for refusing to reveal the identity of an informant in connection with allegations again a security police officer, writes John Stewart in Cape Town.

Kenya-Uganda talks

Kenya and Uganda have held talks in eastern Uganda on the progress of a peace agreement reached between them after a bitter quarrel in the summer brought them to the brink of war, Reuter reports from Nairobi. Both sides were urged to forget past political differences, and it was agreed to take steps to halt smuggling across the border between them.

Iran pays price

The Shah of Iran has disclosed that Iran is being charged up to $150,000 a year by U.S companies for individual U.S. civilians employed under contract in Iran, AP-DJ reports from Tehran. He also said Iran is prepared to spend up to $50bn. in the U.S. over the next five years if the U.S. will sell what Iran wants to buy.

ON OTHER PAGES

A search for unity may lie behind seemingly erratic Afrikaner policy shifts. **John Stewart** explains why . . .

The white tribe stands firm

IT IS easy to misunderstand Afrikaner Nationalism, especially now, when its Party Executive, its intellectuals, the mission wing of its Church, businessmen, academics and newspaper editors are responding to the pressures of change in South African society to-day in a seemingly erratic way.

In recent weeks many people, expecting Afrikaner Nationalists to give stock responses to given situations, have become confused. Nationalist academics, journalists and members of the Church have responded to racial domination and discrimination by calling for urgent and thoroughgoing "adjustments" to the policies of the National Party.

Viewed against the stereotypes of conservatism and exclusivism usually associated with the Afrikaner and his policies, some of the changes being called for by what appear to be more thoughtful Afrikaners are extreme indeed.

For example, two editors, Dr. Wimpie de Klerk and Dr. Piet Cillie, have called for full citizenship rights to be extended to all Coloureds, Asians and Africans who have no real prospect of ever being part of an independent Bantustan.

But a careful study of what they actually say shows that these rights are meant to be granted only on the terms of the country's sovereign rulers.

In sharp contrast, Dr. Andries Treurnicht, Deputy Minister of Bantu Administration and in many ways the archetypal Afrikaner exclusivist, has been warning against policy adjustments that would dilute the more doctrinaire aspects of the separate development scheme.

He, in turn, has been repudiated by members of the National Party Caucus, including the Minister of Sport and Education, Dr. Piet Koornhof, a pragmatic and astute politician with an unfailing gift for simulated social concern who never fails to impress, and seduce, South Africa's English language Press.

Yet to everyone's surprise, South African Prime Minister John Vorster openly endorsed the principles by which Dr. Treurnicht swears. Most people have imagined Mr. Vorster to be basically enlightened behind his various guises of pragmatism, toughness, sweet reasonableness and his uncompromising devotion to the Afrikaner cause.

After the most recent spate of bannings and detentions of individuals branded, without trial, as a threat to the security of the State, it seemed that the Government was falling into the familiar, reactionary response to pressure by embarking on a new course of protracted repression and resistance to change.

But then came an announcement from Windhoek that the Namibia Constitutional Conference had agreed in principle to an interim independence Constitution with a maximum con-

Dr. Andries Treurnicht

centration of power in the central Government — clearly a defeat for Afrikaner Nationalist elements in Namibia who wanted a strong measure of decentralised, ethnic rule.

These reactions, lurching first left then right, are disconcerting to outsiders because, no matter how severe the gulf appears to be between the various sectors of the Afrikaner establishment, the rift is never followed by a split. This contrasts with what has happened, with such a divisive and devastating effect, in non-Nationalist political parties in South Africa.

The seemingly erratic responses of Afrikaners and their institutions do indicate terrific tensions in the tribe, but these may be no more than the outward manifestation of the movement's search for a united, co-ordinated response to the new pressures it faces.

Dr. Fred Van Zyl Slabbert, Progressive-Reform Party MP for Rondebosh and a man who understands the Afrikander dilemma better than most people in South Africa, believe the Nationalists are torn between two alternatives as they respond to the formidable pressures building up against them at home and in the world.

The Party may decide to become a modernising oligarchy, committed to enlightened change as it meets on its own terms, the *demands the international community* and black Nationalists are making upon it. Or, as seems likely in the short term, it may lapse into reactionary repression as the captive of the lowest common denominator among its followers.

These are the materialistic and racially prejudiced masses of Afrikanders in the lower classes — Government servants, blue collar workers, farmers and so on—all of them united by the fear that dilution of the principles of separate development will lead to eventual loss of privilege and prosperity, which is all that concerns them.

Solidarity is the uppermost concern of those who control the whole spectrum of social, political, economic, cultural, educational and, above all, religious institutions created by the Afrikaner.

The political arm of the Afrikaner tribal machine will only change or adjust its policies as far as it is allowed to do so by the other wings. Thus, a commitment to full and equal citizenship for all non-Homeland South Africans will only be embarked upon if it is clear there is no danger of such a move alienating one of these tribal institutions

The protestations against current policy direction coming from Afrikaner newspaper editors and a few academics will not split the Party. Individuals may trickle away—and they may belong to any walk of Afrikaner life—but they will not cause the Party or the tribe to split.

The breakaway of the Hertzog arch-Conservatives of the HNP in 1969 appeared to be a cataclysmic event because the new party openly expressed what many Afrikaners, including numerous members of the National Party, felt privately. But the broad mass of the tribe stayed with the National Party because the Churches, universities, business and cultural organisations did.

The world community has maintained steady pressure on South Africa since 1948. Some of it can be said to have resulted in policy changes, notably in sport, where most forms of discrimination and segregation are in the course of disappearing. This is basically because the Afrikaner loves his sport and will probably tolerate any kind of policy adjustment so long as it does not threaten his social, economic, and political supremacy.

But there has been little movement, in real terms, in other areas of South African society. The constitutional reforms reportedly being hammered out by a Cabinet Committee of the National Party Caucus will only go as far as the inner councils of Afrikaner tribal organisations will allow.

There is, however, one area where the soft underbelly of Afrikaner Nationalism appears to be becoming more and more exposed: economic hardship. For hundreds of thousands of economically active Afrikaners the prospect of another 12 months of austere living without a wage rise must be bitter.

Good house-keeping dictates that the March 1977 Budget will have to be austere once again. If the security machine is to be kept in good shape to fight off mounting menace in Southern Africa. And economic pressure from Western nations may make life even more uncomfortable for whites.

But although Afrikaner workers will go through the motions of revolt, they will do nothing that will undermine their most cherished possession —power.

WORLD TRADE NEWS

Decisions by U.S. court may lead to trade war

BY DAVID BELL

WASHINGTON, Dec. 8.

AN AMERICAN Court is now considering two major cases which may have far-reaching implications for the future of international trade next year and could cause serious disruption *in the coming* months.

Both these cases—and three other contentious matters now being reviewed by the U.S. International Trade Commission—are being watched very closely by Japan and Europe and are certain to pose a number of difficult decisions for the incoming Carter Administration in the first few months.

One senior official to-day described the two cases as a "time bomb" which could conceivably lead to a "trade war" and could, at the least, do some damage to relations between the U.S. and its closest allies.

The first case involves a suit between the Zenith corporation, which makes colour television sets, and the U.S. Treasury which ruled at the start of this year that the tax rebates given to Japanese manufacturers for every set they export do not violate existing U.S. countervailing duty laws.

The Japanese Government levies a so called "commodity tax" of some 15 per cent. on each television made in the *country, but refunds those in the* case of television exports much as VAT (a more complex tax) is refunded to British exporters. The use of the refund in this way is widespread and the case now in progress is therefore viewed as very much a test case for many other products.

Zenith claims that the Japanese—in granting these rebates—are effectively subsidising their manufacturers and *the action is a breach of an 1897* Countervailing Duty Law which was incorporated into a 1930 statute.

The U.S. Treasury, which first received a complaint from Zenith in 1970, ruled in January of this year that the refunding of "indirect taxes"—as distinct *from direct income* taxes or profits taxes—is perfectly legal and quite within the spirit and intention of the 1930 law.

Advantage

However some officials concede that since the law was passed there has been a deliberate shift in some countries away from direct taxes towards indirect ones which can be refunded. U.S. companies argue that since the majority of tax they have to pay is direct they are losing out to their competitors who are getting a substantial advantage in international markets.

Last month the U.S. Customs Court in New York heard arguments in this case and its verdict *is expected fairly soon.* Whatever the result it is likely immediately to be appealed and will probably wind up in the Supreme Court. In the meantime a *serious* and so far little noticed problem may arise.

If, as some officials expect, the Court rules in Zenith's favour and the Treasury appeals there will be what is known as a "suspension of liquidation" which means that importers will be unable to settle their final duty bills in case, eventually, retroactive countervaling duties are applied to the Japanese products.

In some cases observers fear that importers may be loth to take the risk and may instead decide to import no more until the air has cleared a little. "This case *is a real sleeper.* It has more potential for harm to the international trading system than all the rest of the trade cases put together," says Mr. Peter Suchman, Deputy Assistant Secretary of the Treasury for trade matters.

But it is not the only case now being considered. The Customs Court is also to consider a suit filed by U.S. Steel which alleges that the EEC's traditional refund of VAT paid on steel exports also represents an unfair subsidy under U.S. law. Some $2bn.-worth of steel imports could be affected in this case if the Court finds in the company's favour

On the horizon, apart from these two cases, are three major decisions by the U.S. *International Trade Commission—on* colour TV sets (where a separate investigation of dumping and other matters is under way), shoes (the second time this has been considered) *and sugar* (which has a March deadline).

U.K. forced to raise Romanian suit import quotas

BY RHYS DAVID, TEXTILES CORRESPONDENT

THE GOVERNMENT has been forced to go back on its decision earli ehtris year to limit imports of East European men's suits into the U.K. as a result of a new EEC agreement with Romania.

The Department of Trade announced in March this year, after strong representations from the U.K. clothing industry, that a quota of 210,000 suits would be imposed on the Romanians for 1976. Under the new EEC agreement, however, the total for this year has been raised to 370,000, *climbing further to 364,000* next year.

The new quota levels for suits and other garments were strongly criticised in the textile industry last night. Mr. Richard Camrass, chairman of the Clothing Manufacturers, said: "The Government appears to have taken leave of its senses. It seems intent on *giving away the British clothing* industry.

The new quotas have been negotiated by the EEC within the framework of the GATT Multi Fibre Arrangement, which regulates world trade in textiles, and represent the first major trading agreement between one of the state trading countries and the Community as a whole. The traditional approach of the East European countries has been to insist on bilateral agreements.

The Romanians are known to have adopted a particularly hard line in the talks and this is evidently reflected in the agreement

The EEC for its part has secured, at least in part, three of its basic aims in the talks—coverage of a wide range of Romanian exports by quota; agreement by the Romanians to mainietn certain price floors and agreement to open Romanian to EEC textile exports.

The Community has had to concede high base levels, however, before controls come into operation on a number of sensitive products, such as suits and men's and women's outerwear, and existing restrictions suc has the U.K. controls on suits have had to be scrapped.

U.K. clothing industry representatives were pointing out last night that considerable problems could now be caused as a result of the large addition which has been made to the suit quota. As a result of the restrictions introduced by the Government in March, arrivals in the first eight months of this year totalled only 158,000 units. Technically another 220,000 more suits could be brought in this year under the new quota but because of the difficulties likely to be involved in filling the quota in time, large numbers will probably arrive next year to add to the 384,000 quota allowed for 1976.

In men's jackets, Romania is to be allowed to export 237,000 units to Britain this year against 180,000 last year and in men's and women's overcoats the quota has been set at 120,000 for 1976 and 146,000 for 1977 compared with only 54,000 arrivals in 1975. The U.K. shirt market—already more than 70 per cent. filled by imports—will also have to accept some 330,000 Romanian shirts this year and 404,000 next year.

Australian tariff move

BY KENNETH RANDALL

CANBERRA, Dec. 9.

EXPORTERS OF processed foods appear to be one of the main losers in the Australian Government's decision to eliminate British preferential tariffs on 900 items in the tariff schedule.

The tariff-cutting exercise, which also involves some *general* rate reductions or eliminations, was announced by the Government on Tuesday as an offset to the inflationary effects of the Australian dollar devaluation now watered down from its original 17.5 per cent. to 15.5 per cent.

For its stated purpose, the tariff-cutting is of marginal significance. The best estimates in Canberra are that its effect will be equivalent to a further reduction *of the devaluation of* about 1.5 per cent.

It thus appears to be little more than a sop to the many critics within Australia who have emphasised the inflationary effect of devaluation ahead of any stimulus which it gives to many tariff protected domestic industries.

None of the 900 listed items competes in any significant way with Australian industry. If they did, the Government has conceded that they would not be in the list. For quite a range of smaller and medium-sized British exporters of speciality goods, however, the Australian tariff cuts may represent an important new price disadvantage.

● Mr. Robert Muldoon, the New Zealand Prime Minister, said his country's import deposit scheme will be extended by six months to August next year.

● NEWS ANALYSIS—GAS TURBINES DEAL

An Anglo-Soviet landmark

BY GEOFFREY OWEN

THE CONTRACT for gas turbine compressor modules which the Soviet Union yesterday placed with the COBERROW consortium *is the latest in a series of very* large orders for similar equipment placed by the Russians over the past five years. Until yesterday, virtually all this equipment had been based on gas turbines designed by General Electric of the U.S. Now, for the first time, the Russians have accepted the light-weight gas turbine unit, based on the Rolls-Royce Avon engine, instead of the heavy-duty General Electric unit.

The Russians have needed to buy all this equipment as part of their huge investment in gas pipelines, designed to increase the supply of gas from the fields east of the Urals and in Siberia to Western Europe. All these *pipelines* have "booster" stations placed at intervals along the route, and they require large centrifugal compressors driven by gas turbines.

The *GE-designed* industrial gas turbine is widely used for this purpose in North America and throughout the world. GE has a number of manufacturing associates (including John Brown Engineering in Scotland) which manufacture to GE's design and buy certain key elements of the turbine from GE itself. These companies are free to compete directly against GE for any business available. GE itself won a $252m. order in 1974 for 65 gas turbine compressor modules for the Bratstvo project, but this year one of the associates, AEG-Kanis of West Germany, won an even bigger order *for 123 sets* for the Orenburg pipeline.

Because of the size of these orders, the prime contractor has tended to parcel out some of the work among those companies qualified to undertake it. Thus John Brown Engineering received an order for 12 units as part of the General Electric order and more recently another order for 33 units, worth £26m., as part of the AEG-Kanis contract.

The GE *gas turbine is* a single piece of machinery which drives the gas compressor. The rival lightweight system uses a derivative of an aircraft jet engine which is combined with an industrial power turbine to drive the compressor. The Rolls-Royce Avon engine has been extensively *used for this purpose* in the U.K., Canada and elsewhere. Both Cooper Industries, the U.S. company which is a member of the COBERROW consortium, and GEC (which was an unsuccessful bidder for the latest Russian order), have been responsible for a number of gas pipeline installations based on the Avon engine.

In 1975 Cooper put in an offer *incorporating the Avon engine* for the Orenburg pipeline. Although it was not successful, the Russian response was sufficiently encouraging to justify *further* efforts to sell the lightweight unit. At the end of last year Rolls-Royce, which had been having a number of discussions with the Russians about jet engines, both for aircraft and for industrial applications, was invited to compete for the Chelyabinsk project. Because Rolls-Royce does not normally act as prime contractor on this type of business, a consortium was formed with Cooper and Williams Brothers, an international pipeline engineering concern. Later GEC was also invited to submit a tender.

The leading suppliers of the heavy-duty unit competed hard *for the Chelyabinsk* project and until this week it was not certain that the Russians would plump for the lightweight system. The breakthrough now achieved by COBERROW opens up possibilities of substantially more business as new pipeline projects in the Soviet Union get under way.

Whatever the direct results of the contract, it is clearly a landmark in the history of Anglo-Soviet trade. It *makes* the first really sizeable dent in the £950m. credit arrangement facility arranged by Sir Harold Wilson when Prime Minister at the beginning of last year. Until yesterday's announcement, only £42m. of the credit had been used and the British Government *had been expressing* concern over the disappointing level of business. Yesterday's announcement can be regarded as both a commercial and a diplomatic triumph which should give a great fillip to Anglo-Soviet trade.

MAJOR SUPPLIERS TO SOVIET PIPELINE PROJECTS

Gas turbine equipment

Company	Plant location
General Electric	U.S.
AEG-Kanis	West Germany
Nuovo Pignone	Italy
Hitachi	Japan
John Brown Engineering	U.K.
Thomassen	Holland
Load compressors	
Cooper Energy Services	Canada, Holland, U.K.
Ingersoll-Rand	U.K.
Nuovo Pignone	Italy

More fears in Hong Kong over Canadian restraints

BY PHILIP BOWRING

HONG KONG, Dec. 9.

Hong Kong has yet to receive any assurances from Canada that it will abide by bilateral restraint agreements reached within the terms of the *multifibre arrangement*, according to acting director of Commerce and Industry, Mr. Bill Dorward.

Hong Kong is still smarting from and worried by Canada's announcement last week that it is restricting textile imports for the period to end-1977 to 1975 levels (1975 was a depressed year).

Furthermore, the Canadians instituted a global quota system which overrides the specific *bilateral* agreements Hong Kong (like South Korea) has with Canada. The three agreements, which relate to shirts, sweaters and outerwear, expire between June and October next year.

So far the trade has not been badly disrupted but it is felt here that it will come to a sudden grinding halt as the new Canadian global limits are reached during the course of 1975.

Questions are being asked in Hong Kong as to whether there is any point in agreeing to bilateral restraints if they can be thrown overboard by importing nations simply by reference to Article 19 of GATT which allows protective action if "serious *injury*" is caused or threatened to domestic industry.

Iran, Italy nuclear talks

BY ROBERT GRAHAM

TEHRAN, Dec. 9.

IRAN IS to consider a further diversification of its nuclear development programme by including Italy. Following the four-day visit here by Italian Commerce Minister, Sig. Rinaldon Ossola, it has been agreed that a group of Italian nuclear experts will visit Iran early next year.

Iran already has nuclear co-operation agreements with France, West Germany, Britain and in principle the U.S. Italian industry via Breda Meccanica is supplying the steam reactors to the twin power station being built at Busheir on the Gulf by the German concern Kraftwerke Union. Both sides have agreed that there is a need to examine means of a more direct Italian participation in Iran's plans to build up to 23,000 MGW capacity of nuclear power over the next 20 years.

Sig. Ossola, who left to-day, was here for the second meeting of the joint Iranian-Italian mixed commission, established in June 1974 to monitor and encourage trade between the two countries. Political crisis in Italy have prevented meetings since the initial session more than two years ago, and observers believe that Italy has suffered in its penetration of the Iranian market as a result.

GEC wins South Korea contract

BY MAX WILKINSON, INDUSTRIAL STAFF

THE General Electric Company yesterday announced contracts worth £34m. for switchgear and generating equipment, from South Korea.

The company is to supply seven transmission substations for the second stage of the Korean 345KV transmission system. The contract follows an order for GEC equipment for the first stage of the system.

The equipment ordered includes 87 type SF6 circuit breakers, 15 power transformers and associated switching equipment. Delivery is to start in 197[illegible] with completion in 1980. The contract is valued at £31m.

GEC is also to supply two 30,000 KW double pass-out turbines with generators and condensing plant for the petrochemicals plant being built in South Korea by the Lummus Company for the Honan Ethylene Company. This order is worth £3m. and will provide work for factories in Manchester, Salford, Rugby and Larne, Northern Ireland.

HOME NEWS

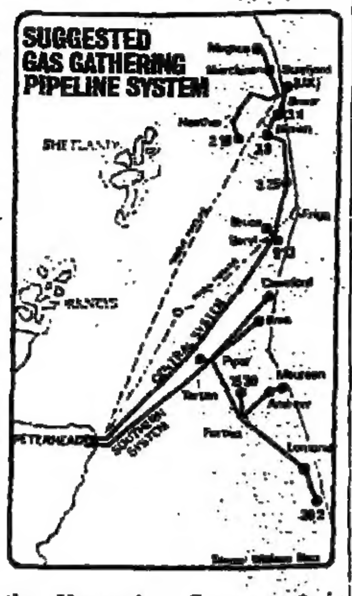
te company study £2bn. eline scheme

TER, ENERGY CORRESPONDENT

ENT is to form ivate enterprise y the viability of ne scheme for om a number of

Corporation, Oil Corporation um of private ach have a one- a new company, -Gathering Pipe-).

construction of line network, is £3m., and to be e end of March pany will then d providing the s Government group will be and operate the



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the Norwegian Government is investigating the possibility of developing its own gas-gathering system. But talks are going on between the British and Norwegian Governments with a view to formulating a joint system.

Mr. Anthony Wedgwood Benn, the Energy Secretary, said yesterday that to avoid fragmentation and ensure serious commitment participant companies in Gas-Gathering Pipelines would be required to subscribe a substantial sum of about £250,000 each.

While the participants would not receive preferential treatment if contracts came to be awarded, they would get first-hand knowledge of the commercial and engineering issues involved, he said.

Waste avoided

Much of the gas collected would otherwise be wasted, either reinjected into oilfields or flared to the atmosphere.

In a separate statement Mr. Wedgwood Benn said the Government wanted the amount of gas flared to be kept to an absolute minimum. But in the absence of immediate gas transmission systems he authorised gas flaring for short periods from Shell-Esso's Brent Field and Occidental's Piper Field.

He also authorised the laying of the gas pipeline, due to deliver gas to the mainland from Brent Field in 1979 or 1980.

North Sea Gas Review Page 32

Petroleum testing Firth discovery

ENERGY CORRESPONDENT

eum group's Moray Firth, the Scottish ve been con- ll.

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pected next has said it er appraisal recoverable rels or more ed in the f the shal- nd nearness ike the field ition.

said in its the recent n oil, how-

ever, the maximum amount of recoverable reserves must be in the order of 300m. to 350m. barrels.

British Petroleum has confirmed that it has been discussing the possibility of taking a substatnial stake in the Transworld group's interest in block 21/1. The block is thought to contain at least two structures, the Buchan Field and another about five miles north. Drilling is taking place on both.

The well on the Buchan Field is designated a development/appraisal test. If the well confirms the presence of oil it will probably be used for production purposes.

It is thought Transworld will hire and convert a semi-submersible rig to use as a floating production platform. If BP takes a stake in its own rig Sea Quest might be used.

lans motorcycle tary engine

RIGHT

S Triumph ing a 1,200 ary-eng'ned a year. Mr. airman, con-

Hercules of the smaller e Wankel- it the NVT air cooled, e.

ten years nce behind tion model, oup's Shen- affordshire. promise for to produce

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be done and progress towards the production stage would depend on finance. The product had already absorbed the best part of £1m.

"Now the path to production is both nearer and clearer." "It is a very exciting machine to ride—very smooth and quiet and with tremendous acceleration.

"It is the kind of machine Britain should have been developing with greater force, not relying on old designs"—a reference to the Government-aided Meriden co-operative near Coventry which makes the ageing Bonneville.

The most crucial components of the Wankel will be brought in from Germany.

r leaves Oriel

ANDER

ER has re- and chief Foods, the in January anded form o RCA of

a period of RCA said with several me of them — but it is e being de- han anyone et. Three nunced that o sell Oriel.

of Mr. his name l supermar- is expected bout three is two close rial Board.

Both Mr. Alistair Grant, the managing director, and Mr. David Webster, the finance director, are likely to leave, though RCA said they would continue in their present capacities during the transition period.

Mr. Gulliver's successor will be Mr. John C. Page, who becomes chief executive on January 1. He said last night that he looked forward to the full and free development of the company. He is an Oriel director as well as manager of the frozen-food and retail divisions. He has been with the company for about two years.

Mr. Gulliver and his team have already announced that they intend to build a new company based in the U.K. and again connected with food.

See Men and Matters, Page 16

Steel hits two-year record output

By Ian Hargreaves, Industrial Staff

U.K. STEEL production reached its highest weekly average for almost two years last month at 487,100 tonnes, according to figures to-day from the British Steel Corporation and British Independent Steel Producers' Association.

This is an increase of 6.4 per cent. on the October figure and is nearly 22 per cent. higher than in November last year.

Output in the first 11 months of the year averaged 433,500 tonnes a week, 12.1 per cent. more than the corresponding figure last year.

Signs of a take-off in production have generated considerable optimism. It now feels that a real impact can be made in regaining some of its lost share of the home market, which is down to about 55 per cent.

Debt office

DUN AND BRADSTREET has opened a new office at 11 Queen's Parade, Bangor, Northern Ireland, which will provide a debt recovery facility for subscribers to the company's commercial collection service.

Companies continue to improve liquidity

BY MARGARET REID

THE CASH position of British companies improved again, after a brief setback, in the three months to the end of September, continuing the recovery trend underway since the beginning of last year after the previous severe squeeze.

In July-September, according to to-day's issue of the official magazine, Trade and Industry, current assets of companies surveyed by the Department of Trade rose by £200m., after seasonal adjustment, while current liabilities went up by only £44m., producing an improvement of £156m. in net assets.

This compared with a fall of £261m. in the previous three months, the only period since the beginning of 1975 which has seen a deterioration.

As has been customary for a considerable time, companies' current assets—in bank deposits and other short-term holdings—*remain smaller than their* current liabilities, such as bank overdrafts. But the margin has been steadily narrowing, with the exception of April-June, 1976, for almost two years.

However, the recent squeeze imposed by Mr. Denis Healey, the Chancellor of the Exchequer, on the money supply through the so-called "corset" restraint on the banks' financing activities and other measures may well lead to renewed pressure on *companies' cash supply.*

The Department of Trade survey shows that the gap between companies' current assets and current liabilities had contracted to only £502m. by the end of September, from £658m. three months before. There has been a steady and marked improvement from a gap of £2.6bn. at the end of 1974.

At that time Mr. Healey took emergency action to ease the corporate tax burden and relax credit restraints to fend off a dangerous cash famine, with the threat of widespread bankruptcies in the company sector.

European Bank water loan

By Stuart Alexander

AN AGREEMENT for a £10m. loan from the European Investment Bank was signed in Luxembourg yesterday by representatives of the National Water Council, the South West Water Authority and the Northumbrian Water Authority. The loan is for 12 years at 9 per cent.

Most of the money, £6m., will be used by Northumbria to help finance the Kielder water scheme. This involves the construction of a dam and a reservoir with a storage capacity of 188m. cubic metres at Kielder on the river North Tyne and a system of tunnels and pipelines which will be used to regulate the flow of the rivers Tyne, Weir and Tees.

Regional GDP figures show South-East ahead

BY MICHAEL BLANDEN

THE SOUTH EAST was the only region of England to show an above average level of gross domestic product per head in 1974, according to figures in the latest issue of Economic Trends, published by the Central Statistical Office to-day.

It had the highest level with a figure of 116.6 (U.K. average =100). The lowest GDP per head was recorded by Northern Ireland, with 74.0, while Wales, at 83.9, and the North, at 90.1, were also among the lower regions.

The figures showed some changes in the relative positions of the different regions. The breakdown into regions was affected by boundary changes as *a result of the local government* reorganisation in 1974, but the general picture was that some of the most depressed regions had been improving their relative *positions up to 1974.*

The South East remained consistently at the top, but the North, Scotland and Northern Ireland all showed some improvement on 1966.

By contrast, the relative position of the West Midlands declined with the figure per head dropping in 1974 below the national average for the first time.

This relative decline was partly explained by the fall in the proportion of GDP throughout the U.K. accounted for by manufacturing industry. The West Midlands is exceptionally reliant on manufacturing, which accounted for nearly 44 per cent. of its GDP in 1973 (before reorganisation affected the comparisons) against only 31.1 per cent. for the U.K. as a whole.

The North West also had a fairly high proportion of manufacturing industry, at 38.4 per cent. in 1973. The South of the country, was predictably less reliant on manufacturing, with only 34.3 per cent. of GDP in the South East coming from this source and 25.1 per cent. in the South West.

The dominance of the South East as a commercial centre was reflected in the figures for insurance, banking and finance, which *accounted for 13.7 per cent. of* GDP in that area against a national average of 8.6 per cent.

Other new figures showed that there was higher than average spending on food, drink and tobacco in the North, Scotland and Northern Ireland. The proportion of total U.K. expenditure taken by this spending was 30.3 per cent.

The South generally spent slightly more than average (18 per cent.) on housing and fuel.

General taxes were relatively much higher in the South East, taking 20.2 per cent. of total personal income against a national figure of 18.8 per cent. and figures of 15.7 in Northern Ireland and 17.3 per cent. in Wales.

The South East also took a lower proportion of national in*surance benefits.*

GROSS DOMESTIC PRODUCT AT FACTOR COST
Per head: U.K. =100

	1966	1972	1973	1974
North	84.1	87.8	88.8	90.1
Yorks. and Humberside	96.7	91.9	91.5	93.0
East Midlands	96.5	96.8	96.9	95.6
East Anglia	96.0	91.3	93.1	93.4
South East	114.7	116.2	115.8	116.6
South West	92.0	93.1	91.7	93.1
West Midlands	108.2	100.3	100.2	99.3
North West	95.7	96.2	95.9	94.5
England	103.3	102.7	102.5	102.6
Wales	84.2	87.6	87.0	83.9
Scotland	89.1	90.9	92.8	93.4
Northern Ireland	67.9	72.2	74.0	74.0
United Kingdom	100.0	100.0	100.0	100.0

HOME NEWS

Surge forecast for mechanical engineering

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE RECENT slackening in demand for mechanical engineering products is only temporary. The growth in new orders will resume and gain momentum through 1977, the Mechanical Engineering Economic Development Committee (Little Neddy) says in a report published to-day.

The average level of new orders in 1976 is expected to be about 15 per cent. higher than last year. And the Little Neddy forecasts further growth of 20 per cent. in 1977.

In the light of past experience, orders might be expected to peak in 1978. The extent to which they do so will depend on the degree of success of measures to sustain export-led and investment-led growth, it maintains in its latest short-term trends study.

Home market customers for mechanical engineering equipment have been reviewing the timing of investment plans because capacity utilisation levels in industry are still low.

And, giving a hint that manufacturers are still not wholly convinced that the Government is as devoted to the industrial strategy as might appear from recent declarations, the report states: "The recent sharp rise in interest rates was seen by companies as an indication of where the priorities of policy lie."

Official expectations that the present high interest rates will be reduced are also encouraging companies to defer capital expenditure on projects which involve raising outside funds.

Despite these qualifications, the Little Neddy expects a significant cyclical upturn in manufacturing industry investment in the U.K. over the next 18 months, although not as large as the 15 to 20 per cent. rise forecast by the Department of Industry's Investment Intentions survey published in October.

The latest forecast from the Confederation of British Industry indicates a rise of between 10 and 15 per cent. and to-day's study seems to support this view.

"In particular we expect investment plans which were previously deferred because of liquidity problems to be implemented. The emphasis will be on replacement and defensive investment directed to labour saving and other cost cutting objectives rather than to expansion," it states.

"Any further Government action to assist investment on the lines of the earlier accelerated projects scheme is likely to be valuable in sustaining investment."

Total production in 1976 is expected to be 2 to 4 per cent. below that of 1975. But 1977 should show a 4 to 6 per cent. increase on this year.

"Mechanical engineering short-term trends summary." Free from Neddy Books, 1 Steel House, 11 Tothill St., London, S.W.1 9JL.

U.K. team in Boeing collaboration talks

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

A SMALL TEAM from the U.K. aerospace industry is to visit Boeing in Seattle next week, to clarify further proposals by Boeing for Anglo-U.S. collaboration on the 7N7 short- to medium-raneg airliner project.

The U.K. team will comprise representatives from the British Aircraft Corporation and Hawker Siddeley Aviation, working under the auspices of the Organising Committee for British Aerospace, the body set up to prepare for nationalisation of the industry under the chairmanship of Lord Beswick.

The visit demonstrates the desire of the Government and the organising committee to press ahead with plans for aerospace nationalisation, despite the delays in pushing the Bill through Parliament.

Even if the Bill fails again this session, it is now recognised throughout the industry that some radical reorganisation will become necessary and that, in any case, the main hope for the future lies in extensive international collaboration with either the U.S., the Continent, or both.

The 7N7 is a plan by Boeing for a new aircraft for the 1980s and has been discussed with airlines round the world. When Mr. Gerald Kaufman, Britain's Aerospace Minister, visited the U.S. soon after the Farnborough Air Show last September, he was told that Boeing would welcome collaboration on the 7N7 programme from the U.K.

Next week's talks will be a continuation of those discussions. While there is still no commitment on either side, it is becoming increasingly clear that Boeing would lick to have U.K. participation, both financial and industrial, and the aim of the U.K. visit is to explore this possibility in greater detail.

The U.K. team will be accompanied by representatives of the West German aerospace industry as observers, since Boeing has also been discussing the possibility of German participation in the 7N7 programme.

● As part of its determination to press ahead with nationalisation, the Department of Industry yesterday announced two new appointments to the Aaerospace Organising Committee.

They are Mr. F. W. Page, managing director (aircraft) for the British Aircraft Corporation and chairman and managing director of its commercial aircraft division, and Dr. G. H. Hough, deputy managing director of Hawker Siddeley Dynamics, the guided weapons and space company in the Hawker Siddeley Group.

Both men will be part-time members of the organising committee with immediate effect, but when nationalisation has been achieved and the formal British Aaerospace Corporation has been established, they will become full-time members of its Board.

It was made clear yesterday that, despite current uncertainties surrounding the future of executives of British Shipbuilders, there is no intention on the part of Lord Beswick, chairman of the British Aerospace Organising Committee, to resign.

Lord Beswick is known to believe strongly that there is a good future for the U.K. aerospace industry, especially in international collaboration, and he is determined to remain at the head of the industry to see the nationalisation through.

Fidelity Life rescue scheme go-ahead

By Eric Short

THE PETITION for the winding-up of Fidelity Life Assurance was yesterday dismissed by Mr. Justice Slade at the High Court hearing, enabling the rescue scheme to be put into operation.

Mr. Peter Shore, then Secretary of State for Trade, presented the petition in July, 1975, after Fidelity Corporation, the American parent, had refused to make a cash injection to ensure solvency.

Since then discussions have been taking place to implement a rescue scheme which would pay the 13,000 policyholders their benefits in full.

The corporation is putting up at least £1.5m. to finance the scheme, £700,000 now, £800,000 in 1982 and further sums as necessary after that date.

The scheme was agreed after prolonged negotiations with many organisations, including the Department of Trade and the Policyholders' Protection Board as well as Fidelity Life and Fidelity Corporation.

The Policyholders' Protection Board played a leading part in arranging the scheme, which will operate the company as a closed fund under the management of Norwich Union Insurance.

Policyholders who have fallen into arrears with their premium payments or had surrendered their policies will be given a chance to reinstate their contracts.

The judge also made an order under Section 50 of the Insurance Companies Act, 1974, which will protect the fund from any legal action arising from delayed payments on contracts which have already matured.

Mr. S. Clinton Davis, Under Secretary for Trade, commented last night that the outcome of the first case to come within the powers given to the Policyholders' Protection Board under the Policyholders' Protection Act, 1975, showed that the legislation was working to the advantage of the policyholders concerned.

Raise grants by 35% say students

By Our Education Correspondent

A CLAIM for a 35 per cent. increase in student grants is to be recommended by the National Union of Students' executive to the union's winter conference in Blackpool this week-end.

The claim, for the academic year starting next autumn, would raise the main rate of grant—for students living away from home while taking advanced courses outside London—from £875 to £1,155. The rate for London would go up from £955 to £1,290. In full, the NUS proposals would raise the yearly cost of student-support from about £270m. to roughly £420m.

The NUS executive is also pressing for the Government to abandon its proposed legislation to withdraw social security benefits from students during the Christmas and Easter vacations, and for an end to the means test by which students from higher-income homes receive a reduced grant which their families are supposed to supplement.

A recent Government survey indicated that nearly three-quarters of the students concerned were receiving less than the expected amount of supplement from their parents.

Benn tells Commons of radioactive leak at Windscale

FINANCIAL TIMES REPORTER

RADIOACTIVE water has leaked from an old storage silo at the spent nuclear fuel reprocessing factory at Windscale, Cumbria, Mr. Anthony Wedgwood Benn, Secretary for Energy, told MPs in a written answer yesterday.

The leak—froma silo containing highly radioactive waste, chiefly spent fuel containers—was discovered in October during excavation for the construction of a new silo.

Radioactivity in one corner of the construction site was high enough to need strict control over access, but there was no evidence that the seepage reached ground water or contaminated surface water.

The company said that no workers had been exposed to radiation above normal safe limits. As the contamination was confined to a small area of ground in the middle of the site there was no effect on the public.

Thes incident—however trivial in reality—has come to light at a particularly sensitive time for the company, which has requested planning permission for a £600m. redevelopment of its Windscale site.

Two weeks ago, Mr. Peter Shore, Secretary for the Environment, said htat he neded more time to consider the company's application, in light of the protests from anti-nuclear interests objecting to plans to expand the reprocessing of spent nuclear fuel from other countries.

The recent report from the Royal Commission on Environmental Pollution criticised "housekeeping" practices at Windscale—criticisms which were accepted by British Nuclear Fuels.

British Nuclear Fuels said: "The silo is an old one which has been in use since the early 1960s. It has substantial concrete walls but the walls of this original part of the building are single and some seepage may have developed below ground level.

"The later additions have double walls with a space between which is monitored. This ensures that any leakage could be detected and recovered.

"As soon as thet source of the contamination can be positively established, appropriate action will be taken in consultation with the Nuclear Installations Inspectorate to deal with the cause and clean up the area.

"In the meantime there are no safety problems and no reason to expect any."

IPC to mount £2m. sales drive

BY PAMELA JUDGE

IPC MAGAZINES is mounting a £2.2m. sales drive for all its publications next spring after a successful £1.4m. "counter attack" promotion this autumn. The spending includes the launch of a new monthly magazine, Woman's World, which was on the stocks, abandoned at the time of the three-day week.

Announcing the campaign to about 300 wholesale newsagents and retailers in London yesterday, Mr. Patrick Barnes, circulation director, said that the "downward sales trend has been reversed" and that most titles would show increased ABC sales figures over the last six months.

More than half the £2.2m. would be put behind the four, with heavy television advertising over a 16-week period.

Woman's World will be the focus of one of the biggest IPC launches for some years. It is aimed at an ABC readership and the print order for the first three issues is 355,000 a month.

Advertisers have welcomed the newcomer to the extent that the first issue's advertising target of 70 pages has been well exceeded. A colour page next to matter costs £1500 and a run-of-paper page £1,200.

Chemical warfare plant closure plan attacked

BY DAVID CHURCHILL, LABOUR STAFF

THE GOVERNMENT has admitted that its plans to close the Nancekuke chemical warfare research station, Cornwall, would leave the civilian population entirely defenceless if Britain were attacked with chemical weapons.

Dr. John Gilbert, Minister of State for Defence, has written to unions involved in defence establishments that the closure would leave only the armed forces with adequate protection against an attack with chemical weapons.

Defence intelligence experts believe that Russia and her Communist allies are building stockpiles of chemical weapons and laying plans for their development in the event of war against Britain and her allies in Nato.

Mr. Michael Hamilton, Tory MP for Salisbury, said in a recent defence debate in the Commons that "chemical weapons exist which can produce a lethal concentration over a substantial area within seconds."

The decision to close Nancekuke and transfer sufficient production facilities to the Porton biological warfare research station was taken earlier this year as part of the defence review.

Plea for energy saving by better phone links

BY CHRISTOPHER LORENZ, ELECTRONICS CORRESPONDENT

THE INCREASED use of telecommunications technology could reduce countries' petroleum consumption by up to 5 per cent., and their total energy use by up to 3 per cent.

One of the main factors would be the substitution of telephone conferences for some business travel, according to an article in a new international quarterly, Telecommunications Policy, published to-day by IPC.

Jointly written by researchers in Canada, the U.S. and the U.K., the article is the first internationally-published review of recent studies in several countries on the potential of telecommunications for energy saving.

A Canadian study quoted in the paper suggests that 20 per cent. of inter-city business trips might be unnecessary if acceptable telecommunications alternatives were available.

This would save 3 per cent. of the total energy consumption of the Canadian Transport sector, equivalent to about 0.86 per cent. of national energy use.

Court 'should rule on rights'

A PROPOSED Bill of Rights would meal that Government plans to nationalise industry or introduce a Wealth tax could be challenged in court on the grounds they were not in the public interest.

It would also give the right not to belong to a trade union, says the Cobden Trust, a research and education charity associated with the National Council for Civil liberties.

In a discussion paper published yesterday, Mr. Jeremy McBride and Mr Peter Wallington of Cambridge University, suggest a constitutional court with the final word on human rights.

People who believed their rights had been infringed could bring action in existing courts with the right of appeal to the constitutional court.

The constitutional court would comprise lay members as well as judges to give binding interpretations on the Bill of Rights.

But the authors did not believe the Bill should be "entrenched" like the American Constitution—which forbids Congress from passing any law that infringes it.

Parliament should be able to override the Bill in cases of emergency.

If Parliament abused this right, the Bill would be useless but they felt public outcry would prevent too many abuses.

The Bill would be based on the European Convention of Human Rights, which would cut the amount of time in bringing it to the statute books.

The National Council for Civil Liberties said: "The Bill would give everyone the right to challenge the Government in the courts if they felt their rights had been infringed.

"For instance, in Britain there is no right to privacy as there is in Europe. The Bill would set standards which the Government has to abide by.

"One of the problems is that the Bill gives much more power to judges.

"Undoubtedly there are other disadvantages as well but the report is meant to provoke discussion and we feel sure any weaknesses can be overcome."

Civil Liberties and a Bill of Rights. By Jeremy McBride and Peter Wallington. Cobden Trust, 186, King's Cross Road, W.C.1. £1.50.

Ladbroke buys holiday complex in £$\frac{3}{4}$m. deal

LADBROKE HOLIDAYS, the holiday camp, caravan and boating subsidiary of the Ladbroke Group, is buying a 57 acre Carmarthen Bay self-catering villa and caravan complex from St. Donat's Estates, a subsidiary of the Hodge Group, for £450,000 in cash.

It is also paying £325,000 for a letting agency, and the leasehold interest in 52 holiday villas at the centre from privately-owned Westward Beach Holiday.

The two will become the Carmarthen Bay Holiday village, which is expected to produce a pre-tax profit of £180,000 for Ladbroke next year.

Ladbroke and its joint company, Ladbroke Courage Holidays will be spending about £1.7m. on capital development of present sites before next season.

Pyramid company

Golden Chemical Products, the pramid-selling detergents company should be wound up—its affairs "cry out for investigation"—deputy Judge Mr. Michael Wheeler QC said in the High Court in London yesterday.

But he put oc making a winding-up order until December 21 to see if the Stevenage, Hertfordshire, company could produce satisfactory undertakings.

Newspaper auction

The printing plant of the Scottisr Daily News in Glasgow is to be sold by auction next month.

Wealth tax pledge

The CBI said yesterday that if a wealth tax were introduced, it would oppose it by every means in its power, because of the impact such a measure would have on farms and small businesses.

ITV moves to regain viewers

BY ARTHUR SANDLES

ITV HAS chosen old films to fill seven of the 12 evening prime time slots in its Christmas scheduling. In its plans announced yesterday ITV also confirmed that it had purchased the top rated (in audience terms) American detective series, Charlie's Angels, for its winter programmes.

Another American series, Rich Man Poor Man, has been bought to bolster flagging Saturday night audience figures and timed to overlap the start of BBC's successful import, Starsky and Hutch.

Charlie's Angels i one of the succes of storie of recent American television hitory. With its team of three pretty female detectives it went straight to the top of the ratings when launched and helped to move the NBC network from its traditional place at the bottom of the ratings league.

ITV has produced what it calls a "competitive schedule" for Christmas in oppoition to the BBC. It includes many of the normal programmes—such as Within These Walls and the Sweepstakes Game—which have been "tinselled up" for the occasion.

In addition there will be specials such as the first John Currey ice pectacular, the Stanley Baxter Christmas Box and Bruce Forsyth in his first full-length comedy play.

ITV films will include Waterloo, Puppet on a Chaina, Gigi, From Russia with Love, Zulu, Patton and Finnian's Rainbow. For much of the Christmas season the programems will be fully networked.

BBC films over the same period will include Oliver, Love Story, Airport, Seven Brides for Seven Brothers, Hello Dolly, A Man for All Seasons and Tora, Tora, Tora. BBC comedy will be headed by Morecambe and Wise, Porridge, Dad's Army, the Liver Birds, Are you Being Served? and Happy Ever After.

Although the advertising industry will be watching with interest what happens to the ratings over Christmas, the real battle between ITV and BBC continues in the New Year when the winter schedules come into force.

Perhaps the most interesting out of the public announcements yesterday. That was that nugget in the schedules was left ITV will be trying to claw its way back into the Saturday night ratings with another American import, Rich Man Poor Man, the show which stood up well against BBC Olympic coverage last summer.

Most of the network (ATV is the major exception at the moment) will show six repeats of the summer Rich Man Poor Man nstalments and then move on to a new series. The shows will go out on Saturday night at 8.30, after a newly introduced Larry Grayson show and New Faces, promoted in the schedules by half an hour.

Although the BBC has not finalised its winter plans it is clear that the corporation has no intention of letting Rich Man Poor Man get a roaring start. A new Ronnie Corbett series will begin in the New Year and BBC 1 has shrewdly moved the start back 15 minutes to avoid a clash with the start with Rich Man Poor Man.

Fleet Street strife blamed on sectional short-term attitudes

BY CHRISTIAN TYLER, LABOUR STAFF

INDUSTRIAL RELATIONS in most national newspapers showed "considerable roo[m for] reform," the Advisory, Conciliation and Arbitration Service said in a report to the [Royal] Commission on the Press, published yesterday.

ACAS said that sectional attitudes by both employers and unions were at the r[oot of] many of the problems.

The main causes of conflict were identified as the casual labour system, demar[cation] lines, pay structures that harm differentials, poor disputes procedures, inadequate co[nsulta]tion and communication and fragmented bargaining at local level. (There are 360 di[fferent] bargaining groups in Fleet Street.)

Competition between newspapers and the heavy cost of losing even a day's issue helped to create fragmented bargaining and short-term attitudes on both sides towards se[ttling] disputes.

Summary of the report

Industrial Relations Policy: An important industrial relations problem is the absence of any authoritative formulation of industrial relations policy and its communication to all levels of management. In few cases is there a written industrial relations policy; there is often a lack of understanding among managers on what company objectives are in this field.

Each house should set out in writing the aims of its industrial relations policy, which should be discussed and approved at Board level to give it the necessary authority.

A summary should be widely available, and communications policy should be reviewed to ensure that regular written and oral information reaches all managers, FOC (chapel heads) and employees.

Outside experience

The effects of the house industrial relations policy should be monitored and it should be regularly reviewed, with participation by managers at all levels.

Industrial Relations Management: Where resources permit, houses should consider including on their Boards a director concentrating on manpower and industrial relations questions. In some houses industrial relations have been adversely affected by management changes

The employment in industrial relations of managers with experience outside the industry can provide a useful stimulus for improvement.

Management Training: Efforts should be made to ensure that within a reasonable period every overseer and more senior manager receives some industrial relations training related to the situation within the house and the problems it faces. Induction courses for overseers should include training of this kind.

Provision of Information: Houses should review their policy on disclosure of information. The emphasis should be on the fullest possible disclosure, which is a pre-requisite to an effective consultative policy.

United action

In particular the practice of secrecy of agreements made between chapels and management should be reconsidered and thought given to making such agreements generally available within the House.

The Newspaper Publishers Association: A number of criticisms have been made of the NPA and in particular the degree of commitment to united action by NPA members. There is a need for a continuing and continuous association of employers within the industry as many matters require handling on an industry-wide basis

The NPA will never be in a position to impose rigid conformity on member Houses, and recognition of this partly by encouraging individual Houses to negotiate their own house agrements, will stimulate more comprehensive arrangements at House level.

The present manpower resources of the NPA, which are stretched, and likely to become more so as the Joint Standing Committee (JSC) develops its work, should be reassessed. A review of the whole structure and functions of the NPA should be undertaken by the publishers.

Closer Working Arrangements: A precondition for many of the industrial relations improvements necessary in the industry is that the unions continue to develop closer working relations. It is encouraging that the principal union officers have been able to work together in the TUC Printing Industry Committee.

Exploratory steps

While a merger of all print unions would not solve at a stroke the problems of sectionalism, they will not be solved without a single union for the industry. There are a number of practical difficulties to be surmounted in achieving this aim, but any merger should be as broadly-based as possible.

Steps should be taken now by the unions concerned to begin formally to explore the detailed possibilities.

Demarcation: It has been proposed that the JSC should play a prominent role on demarcation matters. In addition, the unions require separate machinery to deal with demarcation issues. Such machinery might be set up under the auspices of the TUC Printing Industry Committee.

The London Branches. There is no formal machinery for liaison between London branch and regional officers of the unions. A London Joint Union Committee (LJUC) should be set up.

This would act purely as a means of communication and discussion of common problems. Its areas of interest would be decided among the unions themselves.

Chapel Organisation: The proposed arrangements within houses will require and stimulate closer links between chapels. New initiatives should be taken by union branches and chapels to reduce the number of chapels, to promote closer links between chapels within the same union in each house; and to develop inter-union joint chapel arrangements within particular departments. The LJUC could play a part in these developments.

Joint House Committees (JHCs): Managements and chapels should seek house bargaining over the widest possible area, with full involvement of chapel representatives as well as full-time union officers.

The JHCs should deal with consultation on future planning and current issues and should take over any existing negotiating functions of federated house chapels.

They should monitor the introduction of new techniques into their houses, and include full-time union officers as well as chapel officials on the union side and the chief executive on the management side.

Departmental Committees: Each JHC should create these as vehicles for departmental consultation and, where appropriate, negotiation. They would build upon existing departmental links between chapels.

Slow reaction

Disputes Procedures: Agreed disputes procedures are sometimes not adhered to by chapels and managements are sometimes slow in dealing with points raised by chapels. No comprehensive disputes records are kept.

Domestic disputes procedures should be standardised and should be embodied in the procedural agreement setting up the JHCs. Records of the progress of issues in procedure should be maintained and records should be monitored, analysed and presented to members of JHCs.

Training: Training policy generally and the facilities to be made available to FOCs to receive training should be discussed and agreed by the JHCs following discussion within departmental committees.

The Joint Standing Committee (JSC): The JSC is an essential development for the improvement of relations at all levels in the industry. Its membership should include all employers and trade unions concerned.

National Wage Bargaining: The future of national wage bargaining has been called into question for a number of reasons, but we found little current desire to dispense with it completely.

As the JHCs' role in negotiating pay develops, individual houses might be allowed to secede from the national machinery. In this way, the importance of house-level bargaining would gradually grow while national bargaining would become less significant.

Single system

National Disputes Procedures: At the moment FOCs representing production workers are reluctant to invoke the formal national procedures, because of the time involved in setting up meetings and because they are often unwilling to involve full-time officers in house disputes.

The JSC should consider producing a single national disputes procedure; reducing the "three plus three" committees to two from each side; enabling a dispute which directly concerns more than one house, or has important implications for other houses and unions, to be considered by the JSC; and drafting a model procedure for use in houses to be adopted by JHCs or modified to suit local circumstances.

Decasualisation: The objective of eliminating casual working should be pursued with all possible vigour. When agreement on the principles to be employed in eliminating or reducing casual working is reached, a properly co-ordinated approach should be made to all chapels involved by union and management members of the JSC.

Plant Wide Rates Structures: Some progress has been made towards more rational plant-wide rates structures for production workers. Changing technology will also have an effect on some of the problems.

There is not yet, however, any joint regulation of the whole structure. Therefore:

1. Figures of earnings within the house should be made regularly available to JHCs.

2. A review of the progress of comprehensive agreements should be conducted by the JSC and, within each house, the JHCs. The use of jointly-agreed job evaluation techniques in arriving at new structures would be helpful.

3. Attempts should be made within the JHCs to standardise fringe benefits among production employees in each house.

4. Efforts should be made to introduce integrated house clerical payments structures using job evaluation techniques where such structures do not already exist.

Industrial Relations [in Man]chester: The problems [of] Manchester establishm[ents are] altogether different in [c...] those of Fleet Street.

There is a widespre[ad ...] that in a number of res[pects] production of nationa[l] papers in Manchester [is better] organised than in Flee[t Street]. Union organisation is s[...] Manchester; inter-union [...] informally, closer; [...] systems in composing r[...] less complex and dispute[s ...] to have been less freque[nt].

Nevertheless, institu[tional pro]cedures are as much in [need of] development in Manches[ter as in] London, and the gene[ral pro]posals for institutional [...] in Fleet Street should [be] applied in Manchester.

The system of contract[...] at Thomson Withy G[...] shared plant at Northp[...] not preclude the develo[pment of] departmental bargaining [...] mately joint bargaining [...] chapels which negotia[te with a] particular employer.

Separate negotiations [between] the NPA and unions [in Man]chester, as have been s[...] would complicate the [...]. However, employers an[d ...] should ensure that the [...] interests of the Manches[ter estab]lishments are adequate[ly recog]nised when considering [matters] of national concern in JSC discussions.

Journalism

The National Union o[f Journa]lists and Institute of Jo[urnalists]: The practical choices f[or the] NUJ and IOJ are st[...]ward: either attritio[n ...] further attempt to obta[in ...] joint working, lead[ing to] amalgamation.

In our view, while n[ot under]estimating the differe[nces and] problems that exist bet[ween the] two organisations, d[iscussions] between NUJ and IOJ [represen]tatives should be re[sumed] with a view to explorin[g the pos]sibilities of formal jo[int work]ing arrangements, le[ading to] amalgamation.

Links between NUJ [chapels] in the same house: The closer links between c[hapels of] the same union withi[n a house] applies equally, if n[ot to a] greater extent to NUJ [chapels]. Managements, chapels [and the] NUJ should seek join[t] bargaining and co[nsultative] arrangements where [there are] more than one NUJ [chapel] within the house.

Relations between [the NUJ] and the other unions: T[he work] and pay of journalists [and pro]duction staff are li[kely to] become more inter-rela[ted and] this will call for the cl[osest pos]sible relationships bet[ween the] two groups.

The LJUC should [include] NUJ representatives a[nd NUJ] chapels should fully su[pport] JHCs. Managements sh[ould con]stantly review the sepa[rate ...] the management of i[ndustrial] relations for the two g[roups].

Payments structures [and merit] payments: There is u[...] way in which chapels c[onsider] themselves that the cu[mulative] effort of merit payme[nts and] individual negotiation i[s dis]torting the salary stru[cture to] an unacceptable degree[. No] annual merit paymen[t figures have] been made statistics s[...] made available to chape[ls show]ing the broad distrib[ution of] journalists' salaries wi[thin the] house.

Management and [...] chapels should consider [review]ing their payments s[tructures] along the lines suggeste[d by the] National Board for Pr[ices and] Incomes in 1969.

Conclusions

The proposals made, [together] with the changes alrea[dy ...] discussed and agreed w[ithin the] industry, would take so[me time] to implement and [...] establish.

Our inquiries have c[onvinced] us that change is necess[ary ...] there is fairly widesprea[d recog]nition that this is so, a[nd that] with a jointly-agreed [...] supported by all the [...] beneficial reforms c[an be] brought about.

This does not mean t[hat with] reform there would be n[o ...] conflict within the indus[try ...] that the creation of joint [institu]tions at all levels, the g[rowth of] broader-based bargain[ing ...] other procedures, and c[...]tional changes by the [...] would diminish conflic[t detri]mental to the long-term [interests] of the industry and [its em]ployees who derive thei[r liveli]hoods from it.

Nor does it mean that [reform] will be easy or achievab[le with]out consistent effort a[nd the] commitment of resource[s by all] parties.

Industrial Relations [in the] National Newspaper Indu[stry: a] report by the Advisory, [Concili]ation and Arbitration [Service to the] Royal Commission on the [Press.] Cmnd 6680. SO, £5.

Ships chief a casualty of Tory obstruction—Varley

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

THE GOVERNMENT still had hopes yesterday that its chosen chief executive for the proposed British Shipbuilders Corporation, Mr. Graham Day, would "reconsider his decision" to resign.

Mr. Eric Varley, Industry Secretary, went so far as to make a public appeal when he told the Commons of the intention of 43-year-old Canadian, Mr. Day, to quit his post on the organising committee out of which would grow the State Board when the industry was finally nationalised.

Nobody could doubt that Mr. Varley considered Mr. Day's proposed departure a heavy blow to the Government's nationalisation plans.

Nor did it lessen the Minister's bitterness when Mr. John Biffen, shadow Secretary for Industry, hinted that the Bill to enable the State to take over the aircraft and shipbuilding industries could be expected to run into further delays.

Mr. Varley pointed angrily at the Opposition benches and accused the Tories, in particular Tory peers, of "not giving a fig" for the industries. "All they want is some kudos for wrecking the Bill—but in the process they are willing to wreck the industry," declared the Minister.

Labour backbencher Mr. Norman Buchan (Renfrew, W.), claimed there was a conspiracy of Tories, Scottish Nationalists and the House of Lords to destroy the Bill.

Mr. Varley entirely agreed, and said that Mr. Day was the "first casualty" of the obstruction the legislation had suffered. "I hope they are proud of what they have done," he added acidly.

Meanwhile, as soon as it can be arranged—possibly to-day—he intends to meet the remaining full time members of the British Shipbuilders' organising committee. This was in reply to Mr. Biffen who had queried the intentions of the remaining members of the committee.

Giving his warning about the prospects for the Bill, Mr. Biffen pointed out that if it encountered a "thicket of procedural difficulties" in the Lords, this would be solely because the appropriate authorities pronounced it hybrid.

Mr. Varley, still angry, stressed that Mr. Day had acknowledged that in the "sorry situation" facing the industry, the only way forward was nationalisation.

From the Tory backbenches, Mr. Michael Grylls, (Surrey NW), contended that Mr. Day's resignation showed that the Tories had been right to dispute the "huge amounts" spent by the organising committee.

Mr. Varley accused the Opposition of raising "squalid little points" to defend their actions. He claimed that the committee had been building up home and foreign contacts to get orders for the industry.

Mr. Julian Amery, (C, Brighton Pavilion), contended that Mr. Varley had been unable to convince Mr. Day that the Bill was going to be enacted in the lifetime of this Parliament.

Mr. Varley said that if Mr. Amery, as a former Aviation Minister, still had any influence in his party, he would persuade the Tories to do what was best for the industry—get the Bill on to the Statute Book as quickly as possible in the New Year.

Mr. Eddie Loyden (Lab., Garston) said that private ownership had meant a reduction of jobs on Merseyside alone from 24,000 to 3,000. All the shipbuilding workers were behind the Government over public ownership, he said, to loud Tory shouts of "no."

Mr. Eric Heffer (Lab., Walton), also referring to Merseyside, said there would be great regret at Mr. Day's decision. "Can we prevail on you to make further representations to him to reconsider his position?" he asked.

Mr. Varley replied that Mr. Day was highly regarded throughout the industry. He had done a magnificent job and his frustration was understandable. "I think I should consider that further. It may well be even at this late stage we can ask him to reconsider his decision."

TORY VIEWS ON DEVOLUTION

Bewilderment in both Scottish camps

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE APPOINTMENT of Mr. Teddy Taylor to be Conservative front bench spokesman on Scottish affairs came as a double shock to the party in Scotland yesterday and left it, in the words of one leading member, "like a load of chickens with their heads chopped off, running around in circles."

Those party workers in favour of devolution, albeit on a reduced scale from the Government's proposals, now make up a majority of the party. They were shocked and confused by the replacement of a man of their own mind as their chief spokesman by one of the most hard line anti-devolutionists in the party.

Promise

It is difficult to say whether their bewilderment was equalled or surpassed by those in the other camp, who have looked to Mr. Taylor as their champion. After years of no-nonsense opposition, they had to watch while he repeated the shadow Cabinet's "commitment in principle." Even that slight movement towards the devolution line must have seemed like betrayal.

There is no doubt that the resignations of Mr. Alick Buchanan-Smith and Mr. Malcolm Rifkind from the Tory front bench has weakened the party in Scotland, but more damage may yet follow. A number of voluntary workers who make up the backbone of the party are reserving their position—waiting to see whether what is said during next week's second reading debate on the devolution Bill gives them cause to resign as well.

They fear that Mr. Taylor's appointment may be the beginning of an about-turn by the party, leading to the eventual renunciation of the pledge on devolution made by Mr. Heath in 1968.

Mrs. Thatcher's re-statement of that promise has always sounded thin, and she is obviously attracted by the argument that the party must be seen to be opposing the Government on the major legislative item of the session. The dilemma she faces is whether by doing so she risks destroying the party altogether in Scotland.

Mr. Russell Fairgrieve, MP, the Scottish party chairman, tried to calm things last night with a hurried letter to constituency chairmen and part-time officials urging them not to overreact but to keep their minds on the task of rebuilding party strength and winning back seats from the Nationalists and Labour.

The appeal was weakened by the fact that Mr. Fairgrieve's own position is well known. He is strongly pro-devolutionist and shares the view that a vote against the Bill on second reading would be widely interpreted in Scotland as a vote against devolution.

The distinction of being for devolution in principle, but against the Government's proposals, which represent the fact to most Scottish electors, could prove too subtle.

Revival

His own resignation was refused by Mrs. Thatcher and he remains uneasily as Scottish leader.

The blow to party morale could not have come at a worse time. Contrary to all expectations, the Tories have experienced something of a revival during the past year. Opinion poll ratings have been rising, membership has again been climbing and spirits are at their highest for years.

Du Cann urges reform of MPs' powers to scrutinise spending

BY JOHN HUNT

WIDE-RANGING reforms to enable the House of Commons to keep public expenditure levels under strict and continuous surveillance were proposed yesterday by Mr. Edward du Cann, chairman of the Commons Public Accounts Committee.

Opening the annual debate on the work of the Committee, he told the House that the Exchequer and Auditor Department Act of 1866 which restricts the work of the Comptroller and Auditor-General should be scrapped.

He suggested that the Exchequer and Audit Department should be reorganised on the lines of its U.S. counterpart in Washington. It should have far wider powers than at present and should employ a varied team of specialists instead of just accountants.

He also urged that the Public Accounts Committee should be given the task of monitoring the cash limits on spending which are now being introduced.

The whole question of reforms should be investigated and reported on by the Public Accounts Committee or should be the subject of a Royal Commission inquiry if that was thought appropriate.

Mr. du Cann particularly emphasised the need for the House to establish some form of machinery to keep a strict eye on spending by local authorities, nationalised industries and subsidised bodies of all kinds. He pointed out that at the moment Parliament has no access to inside information about these bodies.

"I strongly suspect that there is far greater waste and extravagance in these undetected areas than in areas controlled by Ministers," he declared.

He thought that the waste resulting from the activities of these organisations was probably a vast sum in addition to the £1bn. which some people had estimated the Public Accounts Committee were uncovering each year in over-spending and inefficiency by central government.

A similar case was put to the House by *Mr. John Garrett* (Lab. Norwich S.) a member of the Expenditure Committee. He suggested that 12 committees should be set up under the Public Accounts Committee and Expenditure Committee. Each one would act as a watchdog on a particular Dept. of State.

Mr. du Cann argued that for many years, back-benchers had been unable to fulfil their duty of controlling the public purse-strings. The House should now *urgently consider ways in which* the control of expenditure and the use of public funds could be made more positive.

"The truth is that public expenditure is out of control and has been for many years. This is the biggest cause of inflation in our economy.

"I believe budgets should be absolute. They should be vigorously monitored by a Select Committee, Public Accounts Committee or whatever. They should not be exceeded without prior approval. There should not be extra expenditure without compensatory saving."

He pointed out that cash limits were now being introduced to cover about two-thirds of total Government spending. There would be annual and monthly reports on how these limits were being met.

"I hope the Public Accounts Committee will be able to discuss with the Treasury ways in which the Committee might monitor this process and make regular reports to the House," he said.

"We have this instrument of the Public Accounts Committee. If the House wishes to use it more, then we shall be very pleased."

He maintained that something much simpler was required than the Act of 1866, which had been drawn up at a time when total Government spending was £39m. a year.

"In my opinion, the Act is now obsolete. It restricts the State audit body in various ways and limits the field they may cover. We must find an apparatus for surveying all of this area in detail."

Worries over NHS administration

In his review of the recent work of the Committee, Mr. Du Cann was critical of many departments of Government but particularly of the National Health Service.

He said it was spending £4bn. a year and seemed to have a limitless demand. The committee was by no means certain that it was providing value for money and would continue to take a close interest in its administration.

He said that there seemed to be something very wrong with the administration of the NHS. The committee had had to look into a whole series of matters where there had plainly been slackness and a failure to account properly at a time when every penny needed to be spent wisely.

Mr. du Cann said that during the coming year the committee would be looking further at the question of Parliamentary accountability for the management of the National Enterprise Board.

"Huge sums are involved. At this moment, there is no proper, recognised or clearly defined method by which Parliamentary scrutiny of the NEB can take place."

The Public Accounts Committee would do well to develop a modus operandi in this matter.

He had discussed it with Mr. Eric Varley, the Industry Secretary, and he could not have been more sympathetic to the problem.

In addition, Mr. du Cann was highly critical of delays and over-spending in defence procurement. In the case of HMS Sheffield, the cost had increased by no less than 59 per cent. At a time when there was a tight *squeeze on defence expenditure,* it was more than ever important that money should not be carelessly spent.

Surprise at Westminster

BY PHILIP RAWSTORNE

MRS. MARGARET THATCHER and the shadow Cabinet believe that the Tory Party will win the next general election on the issue of the economy—and that it will gain enough seats in England to form a Government with an overall majority in the Commons.

This was the basis, in the final analysis, of the decision to oppose the Government's devolution Bill under the discipline of a three-line whip.

There are 23 Labour and two Liberal seats in England currently held by majorities of less than 2,000 votes. Their capture alone would be almost enough to swing the balance of power. And the Tory leadership confidently expects a greater swing than that.

In hard, political calculations, the shadow Cabinet decided that it had more to gain from barrying the Labour legislation than from worrying about the protection of its remaining seats in Scotland from the Nationalist threat.

The decision also happens to coincide with the view of the overwhelming majority of Tory MPs. And though the resignation of leading devolutionists has caused some disarray, it amounts to no more than a hiccup compared with the severe bout of indigestion that would have ensued if the party had been forced to swallow any other policy.

The initial Tory commitment to some form of devolution for Scotland, like that of Labour, was a response to the pleas of its local hierarchy for electoral safeguards against the Nationalist movement.

Four Scottish seats were lost to the SNP in February, 1974, hastening concessions to the devolutionists' demands in the October manifesto. But another four seats went down, though passionate anti-devolutionists like Edward Taylor and Iain Sproat suffered little inroads into their vote.

Mr. Edward Heath's replacement as party leader by Mrs. Thatcher brought with it a more sceptical approach to the whole issue.

Suspicion

"We are the Unionist Party," she declared in her first hostile reaction to the Government's proposals. And loyalty to the Unionist tradition remains strong, though often subconscious and instinctive, in the party's rank and file. The possibility that devolution might slide into separatism awakened it.

But the anti-devolution feeling also gathered force from a variety of other sources.

There was suspicion of the political judgment of the Scottish party establishment which still retained a "grouse moor" image among many younger managerial-type Tories at Westminster. And this was reinforced by the anti-devolutionism of such bodies as the Scottish CBI.

There was a persuasive strand of opinion that believed that Scotland's malaise was due to "bad Labour Government" and could be cured by giving it "good Conservative Government."

The creation of another tier of government ran counter to the mainstream demands for less government and bureaucracy. And many English Tory MPs decided that they could defend no more concessions to Scotland.

Despite all this, the Tory leadership, in deference to its past commitment and the continuing pressures from Scotland, offered a compromise at the Perth conference—a directly elected assembly firmly linked with Westminster in return for the party's total opposition to the Government's legislation.

The compromise was accepted. Or so Mrs. Thatcher believed until the Government's Bill was published. Then, with the anti-devolutionist opinion of the party majority concentrating its force, the Tory leader is said to have been astonished to find that the devolutionists had changed their position.

attacks CAP on prices

REPORTER

pluses; three, taking out of the farm's budget the social measures which should be the responsibility of individual Governments."

Mr. Silkin assured the House that he wanted to see British producers recove the cost of production but emphasised that at the present time too much of the EEC's resources were going into subsidising inefficient foreign farmers.

Another anti-marketeer, Mr. Neil Marten (C., Banbury) described the CAP as "one of the longest-running farces in Europe." If it was not possible to overcome vested interests, it might be better to have a national agricultural policy, he argued.

Mr. Silkin commented that a national policy within the CAP might be conceivable.

Acknowledging the difficulties still facing the pig meat sector in Britain, the Minister pointed out that some improvement had resulted from changes in the monetary compensation amounts agreed in Brussels—considerably more than had ever been achieved before.

Labour moderates

VELL, LOBBY STAFF

made a clean sweep in the elections for six backbench MPs to sit on the party's influential Liaison Committee.

Apart from the Manifesto Group chairman, Mr. Sydney Irving, the other successful candidates were Mr. Tom Urwin, Mr. John Cartwright, Mr. Phillip Whitehead, Mr. Jack Ashley, and Mr. Fred Willey.

LABOUR NEWS

'Racial' stewards 'will have to go'

TRADE UNIONS would have to replace "racially minded" shop stewards when the new race relations legislation comes into force, Mr. Cyril Plant, past chairman of the TUC, said yesterday.

"I don't think unions can open themselves to criticism under the Act. The whole of the union could be tainted if a shop steward goes into an agreement in a racial way," he said.

The TUC had a great deal of propaganda and talking still to do on the subject.

"It will be a slow process. We know that not all shop stewards are angels."

Mr. Plant was addressing a seminar in London organised by the Industrial Society on the new Race Relations Act, which generally strengthens the present law, particularly in the field of employment.

"Prejudice does remain both within and outside of employment, and it would be foolish to ignore it. It is this prejudice which leads to a considerable challenge to the unions.

Dangers

"Good industrial relations at all levels of industry depend on unity among employees, and therefore among union members."

The dangers of race relations legislation affecting free speech were raised by Mr David Lane, chairman of the Commission of Racial Equality.

"Although none of us can be satisfied with a situation where all the trong words spoken have caued extra fears and insecurity for a large number of our citizens, we have not got to be very careful indeed of any diminution of the basic freedom of speech in this country," he said.

Mr. Lane said of the problems facing the newly appointed Commision that all the evidence showed that the problems of discrimination were till greater in the field of employmenut than in any other field of national life.

Unions reject council's pay offer to craftsmen

BY ALAN PIKE, LABOUR STAFF

PAY OFFERS to thousands of craftsmen employed by local authorities and water undertakings have been rejected because they do not guarantee payment of the £2.50 Phase Two minimum increase.

Negotiators for the two public authorities say that they are prepared to pay hourly-paid workers only for time actually worked. Men who would qualify for £2.50 in a full week would get proportionately less if, for instance, they were on short-time and completed less than 40 hours.

The offer was rejected by the executive of the Confederation of Shipbuilding and Engineering Unions in York yesterday. The confederation is campaigning for payment of the full £2.50 throughout the engineering industry and has said that it will consider backing this with industrial action if necessary.

Members of the executive decided yesterday to write to the local authority and water employers saying that the confederation's position in engineering applied equally in the public sector.

It has also told its member unions that they should not settle for less than the £2.50 increase even in weeks when members work fewer than 40 hours. Executives of individual unions are being asked to discuss with their members what action should be taken if employers fail to comply.

Mr. Jack Service, general secretary, said the confederation regarded the £2.50 as a guaranteed minimum for all employees who started a week's work. The Engineering Employers Federation feels that payment should be related to hours actually worked, the traditional system for manual workers.

However, after some initial resistance many companies are now conceding the unions' £2.50 claim. Ford Motor agreed after long negotiations and the principle has recently been accepted by the British Steel Corporation and British Leyland.

Yesterday the confederation also discussed the problem of non-TUC-affiliated organisations applying for, and sometimes gaining, certificates of independence under the Employment Protection Act.

Mr. Len Edmondson, president, said the executive made it clear that it would take industrial action if necessary to resist the invasion by such organisations.

Yard will not shut, workers promised

A FIRM commitment to keep the Redpath Dorman Long oil platform construction yard at Methil open and ready for business was given yesterday by the management.

To-day, shop stewards will tell the workers at the Fife yard that prospects are brighter than they have been for the last nine months.

The 1,049 manual workers at the yard have been given redundancy notices effective on February 18 and told that only 30 to 100 men will be retained to keep the yard on a care and maintenance basis.

After a two-hour meeting in Kirkcaldy Town House yesterday, shop stewards convenor Mr. Tom Coyle said: "We asked the company to keep 500 men on diversified steel work.

"While we did not get that guarantee the management have promised that the yard will not be closed. They want it working and ready for new jacket orders, which are expected in the latter half of next year.

The management said that it was actively pursuing orders in Brazil, India and the Far and Middle East. It said that it was quietly confident.

While we are encouraged by to-day's meeting and the meeting we had earlier in the week with the STUC Economic Committee, our campaign to keep Methil going at full strength will continue."

Sir George Sharp, convenor of Fife Region, who was in the chair at yesterday's meeting, which was attended by senior Redforth Dorman Long and British Steel Corporation officials, said: "Things have turned out better than I expected."

Jobs threat warning

A NEW warning of industrial action by local government workers whose jobs are threatened by expenditure cuts came last night from Mr. Alex Thompson, assistant local government officer of the National and Local Government Officers Association.

He told Surrey members of the union that the union would take action "if the livelihoods of its members are at stake."

Hauliers criticise ACAS code

THE ROAD Haulage Association has told the Adivsory, Conciliation and Arbitration Service that its suggested code of practice for time off for trade union activities is "completely unrealistic" as far as almost all employers in road haulage are concerned.

Apart from objections to some of the details, the association is asking that an entirely different code should be devised for undertakings which have fewer than 100 workers and provide the kind of service given by hauliers.

"The code is designed for use in large highly unionised undertakings which have a static labour force.

"It completely disregards the difficulties which will be encountered in industries such as road haulage, which is comprised of small undertakings with a highly mobile and labour intensified work force.

"Application of the provisions of the code in this industry will result in the closure of many road haulage businesses because the absence of drivers designated 'lay officials' means that expensive vehicles, which still need to be taxed and insured, will have to be laid up."

Electrician strike fails to halt Rubery Owen plant

PRODUCTION for the motor industry of petrol tanks, wheels, chassis members and other components continued at Rubery Owen, Darlaston, yesterday in spite of a strike of electricians.

The electricians demand payment for being available for work during the three-week stoppage by 120 maintenance engineers that caused havoc to production programmes at British Leyland, Ford and elsewhere in the vehicle industry. Thousands of workers were laid off and many have still to be recalled.

The electricians' action came immediately after the engineers resumed on Tuesday, and informal talks yesterday were held over until to-day to enable the electricians to put their *claim in specific* money terms.

Rubery Owen had hoped to catch up on the backlog caused by the strike, but it is only a matter of time before production losses again increase as plant and equipment fail for lack of maintenance by the electricians. A department making chassis side-members has already halted.

British Leyland still has more than 1,000 workers laid off at factories in Wales and the Midlands making radiators, body pressings, axles and other components. Range Rover output at Solihull and MG sports cars at Abingdon remain at a standstill.

More than 4,000 have been recalled at Longbridge and Castle Bromwich.

Jaguar maintained the final finish section yesterday, but there was no main assembly at Browns Lane, Coventry, where 1,900 workers were idle.

Machining at the associated Radford factory is badly disrupted, with 1,500 laid off, because of the strike by 21 Transport and General Workers' Union members over a setter, Mr. Terry Chamberlain, who set up a machine to run too fast.

Rail projects manager

MR. DICK KEEGAN has been appointed projects manager for Merseyside's £25m. underground rail extension and loop line expected to open in the spring of next year. He joined the railway in 1960 and was appointed a planning assistant on the Mersey underground development five years ago.

Courtaulds to hold talks on Flint closure

BY OUR LABOUR STAFF

COURTAULDS senior management agreed last night to hold further talks with Mr. Jack Jones, general secretary of the Transport and General Workers' Union, about plans to close the company's textile plant at Flint in North Wales.

But workers at the company's other plants which face closure failed yesterday to persuade management to change its mind.
PEARSE

Following a lengthy meeting between unions and management at the Skelmersdale plant, the company said last night that it could still see no prospect of the factory being commercially viable.

Meanwhile, 600 process workers at Furzebrook's yarnmill—part of the Courtaulds complex at Aintree, Merseyside—threatened with closure from January 20, were yesterday handed details of a management offer.

The company said it could see no possibility of the factory continuing in its present form, but as a significant number of employees were willing to enter the necessary commitments of co-operation, it was offering three options.

These were continuation of employment subject to the individual's commitment to co-operate—depending on sufficient numbers volunteering.

Secondly it asked employees to volunteer for consideration for vacancies on the Courtaulds complex at Aintree. Finally to volunteer for consideration for redundancy. They were asked to indicate their choice not later than next Monday, December 13.

APPOINTMENTS

INTERNATIONAL APPOINTMENTS

COMPANY NOTICES

Norpipe a.s
(Incorporated in Norway)

NOTICE IS HEREBY GIVEN that the audited Annual Report and Accounts of Norpipe a.s for the year ended 31st December, 1975 (and translation thereof) are available from:—
Phillips Petroleum Co. Europe-Africa
Treasury Department
Portland House
Stag Place
LONDON SW1E 5DA
and
Cazenove and Company
12 Tokenhouse Yard
LONDON EC2R 7AN.

AFC INVESTMENTS LIMITED

(Incorporated with limited liability in the Republic of South Africa)
NOTICE IS HEREBY GIVEN that the Preference Share Transfer Books and Register of Members will close on 24th December 1976 for the preparation of Warrants in respect of the Preference Dividend for the three months ending 31st December 1976.
By Order of the Board
AFRICAN FINANCE CORPORATION LIMITED,
London Secretaries,
Per A. T. TICKNER.
London Office:
62, London Wall
London EC2R 7JT
9th December 1976.

PERSONAL

ART GALLERIES

CLUBS

LEGAL NOTICES

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

In the Matter of:
U.S. FINANCIAL INCORPORATED, a Delaware corporation, and Affiliates, *Debtors*

No. 17007, et al.
NOTICE OF HEARING

TO ALL HOLDERS OF U.S. FINANCIAL OVERSEAS N.V. 9% GUARANTEED DEBENTURES DUE 1982.

NOTICE IS HEREBY GIVEN that a hearing will be held before the Honorable Herbert Katz, Bankruptcy Judge, in Bankruptcy Department No. 1, Fifth Floor, United States Courthouse, 940 Front Street, San Diego, California, at 9.00 o'clock, a.m., on December 30, 1976, or as soon thereafter as counsel can be heard, with respect to the following matters:

1. Approval of the Trustee's Consolidated Plan of Reorganization (filed by Herbert J. Solomon, Reorganization Trustee, on November 15, 1976);
2. Application of Trustee For Determination of Insolvency of Debtors;
3. Application of Trustee For Classification of Creditors and Stockholders; and
4. Application of Trustee For Approval of Consolidation of Claims and Utilization of Assets For Satisfaction of Claims.

Copies of the Trustee's Consolidated Plan of Reorganization and the above-listed Applications are on file with the Court and may be inspected during regular business hours. A copy of a more definitive Notice of Hearing, which contains a summary description of the Plan and Reorganization Trustee's Applications, or a copy of any of these documents, may be obtained by contacting the Indenture Trustee, Citibank, N.A., Corporate Trust Administration, 111 Wall Street, New York, N.Y. 10015, Attention E. J. Jaworski, Senior Trust Officer (212) 559-7381.

Any creditor or other interested party wishing to file an objection to, or modification of, the Trustee's Consolidated Plan of Reorganization, or wishing to submit a substitute plan of reorganization, and any creditor or other interested party wishing to contest or otherwise responsively plead to the relief prayed for in the above-listed Applications shall file and serve their respective pleadings no later than December 15, 1976 on the following persons:

William G. Wilson, Esq.
Rifkind, Sterling & Solomon, Incorporated
9454 Wilshire Boulevard,
Beverly Hills, California 90212
(714) 233-8114.

Donald J. Heimer, Esq.,
U.S. Financial Incorporated,
P. O. Box 12155,
San Diego, California 92112
(714) 238-6121

The hearing may be adjourned pursuant to announcement of adjournment without further notice to creditors or other parties in interest.

Dated: November 24, 1976

HERBERT J. SOLOMON
Reorganization Trustee.

No. 003991 of 1976

In the High COURT OF JUSTICE Chancery Division Companies Court. In the Matter of S & M REINFORCEMENT CO. LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN that a Petition for the Winding-Up of the above-named Company by the High Court of Justice was, on the 29th day of November 1976, presented to the said Court by the COMMISSIONERS OF CUSTOMS AND EXCISE of King's Beam House, 39-41, Mark Lane, London, EC3R 7HE, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL, on the 17th day of January 1977, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his Counsel for that purpose: and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

G. KRIKORIAN,
King's Beam House,
39-41, Mark Lane,
London, EC3R 7HE
Solicitor to the Petitioners.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their Solicitor (if any) and must be served or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 14th day of January 1977.

No. 004053 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of TERENCE EAGLE (WHOLESALE) LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 7th day of December 1976, presented to the said Court by BEECHAM GROUP LIMITED whose registered office is at Beecham House, Great West Road, Brentford, Middlesex (Chemist Product Distributors), and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 17th day of January 1977, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

UNDERWOOD & CO.,
40 Welbeck Street,
London W1M 8LN.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 14th day of January 1977.

Company Number 1113040
Registered in London

In the Matter of The Companies Acts, 1948 to 1967, and in the Matter of ROBERT MITCHELL PERSONAL TAILORING LIMITED. Registered Office and Business Address: Red Hill House, 43, Red Hill, Stourbridge, West Midlands.

NOTICE IS HEREBY GIVEN pursuant to Section 293 of the Companies Act, 1948, that a MEETING of the CREDITORS of the above-named Company will be held at Guildhall House, 81/87, Gresham Street, London EC2V 7DS, on 17th December 1976 at 11.15 a.m., for the purpose mentioned in Section 294 et seq of the said Act.

Dated this 23rd day of November 1976
By Order of the Board.
JOHN SCOTT, Director.

Company Number 575396
REGISTERED IN LONDON
IN THE MATTER of THE COMPANIES ACTS, 1948 to 1967
and
IN THE MATTER of SCOTT BROTHERS (W. M.) LIMITED.
Registered Office: Red Hill House, 43, Red Hill, Stourbridge, West Midlands.
Business Addresses: as above and various addresses in Shrewsbury, Llandrindod Wells & Pwllheli, Swansea.

NOTICE IS HEREBY GIVEN pursuant to Section 293 of the Companies Act, 1948, that a MEETING of the CREDITORS of the above named Company will be held at Guildhall House, 81/87, Gresham Street, London, EC2V 7DS, on 15th December 1976 at 2.30 p.m. for the purpose mentioned in Section 294 et seq of the said Act.

Dated this 23rd day of November 1976.
BY ORDER OF THE BOARD
JOHN SCOTT
Director

Company Number 113595
Registered in London

In the Matter of The Companies Acts, 1948 to 1967, and in the Matter of H. COOKE & SONS LIMITED. Registered Office: Red Hill House, 43, Red Hill, Stourbridge, West Midlands; Business Addresses, Cookes Buildings Abbey Road, Barrow-in-Furness, Cumbria, 1, Borough Road, Burton-on-Trent, Staffordshire.

NOTICE IS HEREBY GIVEN pursuant to Section 293 of the Companies Act, 1948, that a MEETING of the CREDITORS of the above-named Company will be held at Guildhall House, 81-87, Gresham Street, London EC2V 7DS on 13th December 1976 at 2.30 p.m. for the purpose mentioned in Section 294 et seq of the said Act.

Dated this 19th day of November 1976
By Order of the Board
JOHN SCOTT, Director.

Company Number 787417
Registered in London

In the Matter of The Companies Acts, 1948 to 1967, and in the Matter of H. & R SCOTT (HOLDINGS) LIMITED. Registered Office and Business Address: Red Hill House, 45, Red Hill, Stourbridge West Midlands.

NOTICE IS HEREBY GIVEN pursuant to Section 293 of the Companies Act, 1948, that a MEETING of the CREDITORS of the above-named Company will be held at Guildhall House, 81/87, Gresham Street, London EC2V 7DS, on 17th December 1976, at 12 noon, for the purpose mentioned in Section 294 et seq of the said Act.

Dated this 23rd day of November 1976
By Order of the Board.
JOHN SCOTT, Director.

Company Number 341383
REGISTERED IN LONDON
IN THE MATTER of THE COMPANIES ACTS, 1948 to 1967.
and
IN THE MATTER of SCOTT & BELL LIMITED.
Registered Office: Red Hill House, 43, Red Hill, Stourbridge, West Midlands.
Business Addresses: As above & various addresses in Cambridge, Gloucester, Kidlington, Burton-on-Trent, Stoke-on-Trent & Barrow-in-Furness.

NOTICE IS HEREBY GIVEN pursuant to Section 293 of the Companies Act, 1948, that a MEETING of the CREDITORS of the above named Company will be held at Guildhall House, 81/87, Gresham Street, London, EC2V 7DS, on 16th December 1976 at 12 Noon for the purpose mentioned in Section 294 et seq of the said Act.

Dated this 23rd day of November 1976.
BY ORDER OF THE BOARD.
JOHN SCOTT,
Director.

Company Number 465190
Registered in London

In the Matter of The Companies Acts, 1948 to 1967, and in the Matter of FRASER & ROBINSON LIMITED. Registered Office: Red Hill House, 43, Red Hill, Stourbridge, West Midlands; Business Address: 33/35, Church Street, Caversham, Reading.

NOTICE IS HEREBY GIVEN pursuant to Section 293 of the Companies Act, 1948, that a MEETING of the CREDITORS of the above-named Company will be held at Guildhall House, 81/87, Gresham Street, London EC2V 7DS, on 16th December 1976, at 2.30 p.m., for the purpose mentioned in Section 294 et seq of the said Act.

Dated this 22nd day of November 1976.
By Order of the Board.
JOHN SCOTT, Director.

Company Number 653493
Registered in London

In the Matter of The Companies Acts, 1948 to 1967, and in the Matter of SCOTTS (SECRETARIAL SERVICES) LIMITED. Registered Office and Business Address: Red Hill House, 43, Red Hill, Stourbridge, West Midlands.

NOTICE IS HEREBY GIVEN pursuant to Section 293 of the Companies Act, 1948, that a MEETING of the CREDITORS of the above-named Company will be held at Guildhall House, 81/87, Gresham Street, London EC2V 7DS, on 16th December 1976 at 11.15 a.m., for the purpose mentioned in Section 294 et seq of the said Act.

Dated this 23rd day of November 1976.
By Order of the Board.
JOHN SCOTT, Director.

Company Number 430162
Registered in London

In the Matter of The Companies Acts, 1948 to 1967, and in the Matter of RED HILL WHOLESALE COMPANY LIMITED. Registered Office and Business Address: Red Hill House, 45, Red Hill, Stourbridge, West Midlands. DY8 1NB.

NOTICE IS HEREBY GIVEN pursuant to Section 293 of the Companies Act, 1948, that a MEETING of the CREDITORS of the above-named Company will be held at Guildhall House, 81/87, Gresham Street, London EC2V 7DS, on 15th December 1976, at 12 noon, for the purpose mentioned in Section 294 et seq of the said Act.

Dated this 17th day of November 1976
By Order of the Board.
JOHN SCOTT, Director.

PUBLIC NOTICES

Hydrocarbon Technology Projects – Allocation of Funds

The Department of Energy wishes to draw attention to the European Economic Community scheme whereby under Regulation 3056/73 (published in the official Journal of the European Communities on 13 November 1973) support may be given to technological development projects in the fields of exploration, production, storage and transport of hydrocarbons.

The closing date for applications under this scheme is 28 February 1977.

The Offshore Supplies Office, Alhambra House, 45 Waterloo Street, Glasgow G2 6AS would be glad to advise intending applicants on procedures. Please ring Mr. T. G. Crouch on 041-221 8777 extension 408, or Mr. R. N. Waters (CIP Division) at the Department of Energy in London on 01-211 3809.

Funds of approximately £20m per year are allocated to a variety of projects—mostly concerned with offshore technology—at rates of support up to 40%. This support is repayable in the event of the commercial success of a project.

Department of Energy

COMPANY NOTICES

RMP

RAND MINES PROPERTIES LIMITED
(Incorporated in the Republic of South Africa)

NOTICE OF MEETING

The ninth annual general meeting of members of the company will be held in the board room at the company's registered office, off Main Reef Road, Crown Mines, Johannesburg, on Friday 21 January, 1977 at 10.00 a.m. for the following purposes:

1. To receive and adopt the annual financial statements and group annual financial statements for the year ended 30 September, 1976.
2. To elect directors who retire by rotation in accordance with the articles of association.
3. To authorise the directors to determine the remuneration of the auditors.
4. To pass the following ordinary resolution:
   "That, subject to the provisions of Section 222 of the Companies Act, 1973, the directors are hereby authorised to allot or issue the shares unissued as at 21 January, 1977, on such terms and conditions as and when they deem fit to do so."

For the purpose of determining those members entitled to attend and to vote at the meeting, the company's register of members will be closed from 14 to 21 January, 1977, both days inclusive.

A member entitled to attend and vote at the meeting may appoint one or more proxies to attend, speak and act, and vote on a poll in his stead. A proxy need not be a member of the company. A proxy form will be sent to members on request made to either the transfer secretaries in Johannesburg or to the transfer office of the secretaries in the United Kingdom. Completed proxy forms should be forwarded so as to reach the transfer office of the company's transfer secretaries, Second Floor, Devonshire House, 49 Jorissen Street, Braamfontein, Johannesburg 2001 (P.O. Box 31719, Braamfontein 2017), or the transfer office of the company's United Kingdom secretaries, P.O. Box 102, Charter House, Park Street, Ashford, Kent TN24 8TQ, at least 48 hours before the time of the meeting.

By Order of the Board
Secretary, C. G. STEYN

Office of the London Secretaries.
Charter Consolidated Limited.
40 Holborn Viaduct, London EC1P 1AJ.
9th December, 1976.

ANGLO AMERICAN CORPORATION GROUP
TRANSVAAL GOLD MINING COMPANIES

DIVIDENDS

NOTICE IS HEREBY GIVEN that dividends have been declared in South African currency, payable to members registered in the books of the undermentioned companies at the close of business on 24th December, 1976.

The transfer registers and registers of members will be closed in each case from 25th December, 1976 to 7th January, 1977, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about 3rd February, 1977. Registered members paid from the United Kingdom will receive the United Kingdom currency equivalent on 25th January, 1977 of the rand value of their dividends (less appropriate taxes). Any such members may however elect to be paid in South African currency, provided that the request is received at the offices of the transfer secretaries in Johannesburg or in the United Kingdom on or before 24th December, 1976.

The effective rate of non-resident shareholders' tax for all the undermentioned companies is 15 per cent.

The dividends are payable subject to conditions which can be inspected at the head and London offices of the companies and also at the offices of the companies' transfer secretaries in Johannesburg and the United Kingdom.

Name of company (each of which is incorporated in the Republic of South Africa)	Dividend No.	Rate of dividend per share
Vaal Reefs Exploration and Mining Company Limited	41	60 cents
Western Deep Levels Limited	30	45 cents

EAST DAGGAFONTEIN MINES LIMITED

The directors of East Daggafontein Mines Limited have decided that no final dividend will be paid by this company for the year ending 31st December, 1976.

In June, 1976, when it was announced that no interim dividend would be paid for the year, shareholders were informed that it was extremely unlikely that a final dividend would be paid as the company was currently incurring a loss on its operations. In view of continuing losses all operations at the mine, other than clean-up, ceased in November, 1976.

THE SOUTH AFRICAN LAND & EXPLORATION COMPANY LIMITED

The directors of The South African Land & Exploration Company Limited have decided that no final dividend will be paid by this company for the year ending 31st December, 1976.

In a circular dated 15th October 1976 concerning the recent rights issue to finance part of the prospecting programme in the area to the South and South-West of the present mine workings, members were advised that as the company's net current assets, together with any surplus arising from operations, final clean-up and disposal of plant, etc., would be applied towards the financing of the prospecting programme, no further dividend payments could be expected unless the next stage of drilling was sufficiently disappointing to warrant abandoning this programme.

By Order of the Board
For and on behalf of
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
London Secretaries
G. A. WILKINSON

London Office:
40, Holborn Viaduct,
EC1P 1AJ.
Office of the United Kingdom Transfer Secretaries:
Charter Consolidated Limited,
P.O. Box 102,
Charter House,
Park Street,
Ashford, Kent.
TN24 8EQ.
9th December, 1976

SOUTHVAAL HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
DECLARATION OF DIVIDEND No. 3

NOTICE IS HEREBY GIVEN that dividend No. 3 of 6 cents a share, in respect of the year ending 31st December, 1976 (1975: 8 cents), has been declared, payable to members registered in the books of the company at the close of business on 24th December, 1976.

The transfer registers and registers of members will be closed from 25th December, 1976, to 7th January, 1977, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about 3rd February, 1977. Registered members paid from the United Kingdom will receive the United Kingdom currency equivalent on 25th January, 1977, of the rand value of their dividends (less appropriate taxes). Any such members may, however, elect to be paid in South African currency, provided that the request is received at the offices of the transfer secretaries in Johannesburg or in the United Kingdom on or before 24th December, 1976.

The effective rate of non-resident shareholders' tax is 15 per cent.

The dividend is payable subject to conditions which can be inspected at the head and London offices of the company and also at the offices of the company's transfer secretaries in Johannesburg and the United Kingdom.

The estimated profit for the year ending 31st December, 1976, is stated hereunder:

	1976 R	1975 R
Profit before taxation	1 816 000	4 622 000
Taxation	1 348 000	1 899 000
Profit after taxation	468 000	2 723 000
Retained profit brought forward	1 352 000	709 000
Profit available for appropriation	R1 820 000	R3 432 000
Dividend No. 3 of 6 cents a share	R1 560 000	R2 080 000

By Order of the Board
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
Secretaries
per J. E. Townsend
Senior Divisional Secretary

Head Office:
44, Main Street, Johannesburg 2001
(P.O. Box 61587, Marshalltown, 2107).
Office of the United Kingdom Transfer Secretaries:
Charter Consolidated Limited,
P.O. Box 102, Charter House,
Park Street, Ashford,
Kent, TN24 8EQ, England.

London Office:
40, Holborn Viaduct,
London EC1P 1AJ.
9th December, 1976.

BANQUE DE PARIS ET DES PAYS-BAS

Floating rate notes 1980
U.S. Dollars: 25,000,000

The annual interest rate applicable to the above loan in respect of the six months' period of 182 days commencing 9th December 1976, has been fixed at 7¼ per cent.

So that accordingly the interest payable in respect of such period (calculated on the basis of a year of 360 days for the actual number of days elapsed) will be made on 9th June 1977 at 36,652.778 US dollars per coupon.

Banque de Paris et des Pays-Bas
Pour le Grand-Duché de Luxembourg.

INTERMARKET FUND
SOCIETE ANONYME
[illegible]

BRASCAN LIMITED
[illegible]

PORTUGUESE GOVERNMENT
[illegible]

CONTRACTS AND TENDERS

République Algérienne Démocratique et Populaire

Ministère de l'Industrie et de l'Energie

الشركة الوطنية للحديد والصلب SNS

Société Nationale de Sidérurgie

Construction of an initial set of rolling mills in connection with the new western iron & steel complex

Notice of pre-selection

The Société Nationale de Sidérurgie is to call for tenders from pre-selected companies for the supply of an initial set of rolling mills to form part of the new "western iron & steel complex". This announcement concerns the pre-selection of these companies.

The initial facilities will consist of:

- a heavy section and rail mill
- a concrete reinforcing bar mill
- a merchant mill.

Instructions regarding application for pre-selection can be obtained free of charge from:

Société Nationale de Sidérurgie
Direction du Développement Industriel et de l'Engineering
5 rue Abou Moussa
Alger R.A.D.P.

The closing date for pre-selection applications is 1st March 1977.

REEN PAPER URGES DECENTRALISATION IN ENGLAND, BUT RULES OUT FEDERAL SYSTEM

parate English Assembly ong, says devolution study

CORNWELL, LOBBY STAFF

PAPER on the r England of the devolution legisla- id and Wales sets iments for and s in the way that

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change comes n headings: to vernment from ocal issues and ntrate on mat- nal importance; nent closer to ng major nomi- under local l; and to pro- tra administra- n central and

The document underlines that the viability of possible new forms of Government in England is bound up with fundamental issues that concern the country's constitution, its institutions and its financial administration.

Constitutional implications

The first main section of the Green Paper deals with the constitutional implications for England after devolution of certain powers to Scotland and Wales.

Above all it is at pains to reject the notion that Assemblies in Edinburgh and Cardiff will have powers over activities affecting people elsewhere in the U.K., and that the supreme authority of the Westminster Parliament will be in some way undermined.

"In relation to the matters to be devolved the new administrations will inherit the executive powers that Ministers now exercise. In addition, having regard to the separate system of law in Scotland and the existence of separate institutions and policies in many of the activity areas concerned, the Scottish Assembly will have powers to legislate on most of the devolved matters," the document states.

Nor will devolution affect the supreme authority of Parliament and its ability to make laws on any subject for the whole of the U.K. It will continue to look after a wide range of important issues in Scotland and Wales, including general industrial and economic policies and law and order, and have an overall power to intervene.

It might be argued, the Government says, that the interests of equal treatment between England and Scotland dictate that there should be an English Assembly, separate from Parliament, for business analogous to that to be devolved in Scotland.

"The Government firmly believe, however, that establishing such an Assembly for England could damage the structure of the U.K. in a way that a Scottish Assembly would not."

It would not be appropriate for Parliament to act both as the legislature for the U.K. as a whole and also as the domestic legislature for Wales and, for the present, Northern Ireland but not for England or Scotland.

In practice, if an English Assembly were established, Parliament's role would have to be restricted to a limited range of matters. Four separate assemblies would be required in the four countries of the United Kingdom, each with its own Executive, the document stresses.

This would amount in practice to a form of federation. The Government believed that a federal system would not fit the essential character of the U.K. as a union of four distinctive national components of very different sizes; and that it would not be compatible, in the particular circumstances of the United Kingdom, with the close economic unity required to meet national needs.

"England contains almost 85 per cent. of the population with a correspondingly overwhelming proportion of resources. No existing federation contains a partner of anything like this preponderance.

"An English Assembly representing such a large population could hardly avoid becoming a rival to Parliament, particularly if the two bodies were under the control of opposing parties. And because the expenditure needs of the English Assembly would represent such a large part of total programmes, particularly awkward relationships would exist in relation to taxation, resource allocation, regional planning and comparable issues.

For these reasons an English Assembly would carry grave risks to the continuing political and economic unity of the U.K., the preservation of which the Government regards as a firm principle underlying any proposals for devolution.

"Some people have accordingly proposed a series of regional assemblies for England. But if each of these were to be given legislative powers the cumulative constitutional and parliamentary effect would be similar to that which would result from a single English Assembly.

"Moreover, setting up regional assemblies with legislative powers would mean that the legislative framework for such matters as education, health, housing, local government and land use would be largely determined at regional level, leading to possibly marked differences over short distances within England. The Government therefore rule out from further consideration not only the creation of an English Assembly but also a series of regional assemblies *with legislative powers*."

Instead, the document examines other possible regional arrangements in later sections, when it sets out the range of formulas for changes in the English government system.

Regional policies

Turning to the industrial and economic implications, the Green Paper dismisses the fear that devolution will damage the interests of England and particularly its poorer regions.

It also comes down against the idea that England should have its own development agency (or several new regional development agencies) like those existing for both Scotland and Wales, but emphasises that its views are by no means final.

As far as regional policies are concerned, the document emphasises that these cannot be dealt with in isolation from other national economic policies.

"Accordingly, the Government will continue after devolution to Scotland and Wales to determine in which parts of Great Britain economic conditions and prospects justify assisted area status and what forms of relief or incentive are to be available to established or incoming employers.

"And the Government will remain responsible for industrial development certificate policy, which assists the steering of new *projects to the assisted areas*.

"At present the three main regional incentives to industry are Regional Development Grants and Regional Selective Assistance (both of which are incentives to capital investment) and Regional Employment Premium (which assists with labour costs and is a continuing aid available to established firms."

All these systems of aid are administered by departments of central government; and responsibility for their administration will remain with central Government after devolution to Scotland and Wales," it says.

Turning to finance, the Green Paper points out the essential feature that there will be a block fund for each administration that will take account of both local needs and the desirability of comparable standards throughout the U.K.

These funds would be voted by Parliament. At the same time a limit would be laid down for the amounts to be authorised by the devolved administrations for developments financed by long-term borrowing.

The settlement of the block *funds and the borrowing limits* would be closely linked with the annual public expenditure review carried out by the Government, a process in which the devolved administrations would normally be involved.

"But no neat formula is capable of producing fair shares of public expenditure for England, Scotland, Wales and Northern Ireland in varying circumstances from year to year; this requires both sensitive political judgment and information about relative needs and standards."

Development agencies

The document then proceeds to lay out official thinking about the possible creation of an English Development Agency (or several Regional Agencies) to mirror those in Wales and Scotland.

"The case which is made for development agencies is that they bring together in a single cohesive organisation various forms of developmental support which would otherwise be channelled through a number of separate organisations. A comprehensive approach to industrial development and promotion is therefore greatly facilitated and, when necessary, action can be taken speedily and flexibly."

However, the functions of the Scottish and Welsh Agencies were already carried out in England by different means. "There is no clear evidence that these would be more effectively carried out in England if merged, or that local authorities would welcome a change in present arrangements covering such matters as derelict land clearance.

"Furthermore, it is doubtful whether a single English Agency, having to co-ordinate a range of environmental and industrial functions in the differing circumstances of assisted areas which are spread from Cornwall to Northumbria, would be accepted as having the close familiarity with the problems of particular areas which is looked for from the Scottish and Welsh Agencies.

"On the other hand, if a number of regional Development Agencies were established it would be necessary to avoid the risk of wasteful competition between them to attract industrial investment and employment."

The Government is, however, promising to keep its regional policies under review, along with the changing circumstances of the national economy, and would be ready to consider an English Development Agency or Agencies, or any any other innovation, "if it can be shown to offer a fair prospect of success in helping achieve (the Government's) development policies."

Structure of Government

The Green Paper then considers the possibilities for change in the structure of Government in England, with the observation that not all of them amount to devolution, in its strict sense of a transfer of powers from a central authority.

The canvassed modifications are then considered in two groups, described as "radical" change and "limited" change.

Radical change: Into the first category fall different forms of new regional elected authorities with executive powers. Their nature and their relationship to existing authorities could vary very widely, but the Government repeats its basic objection to Assemblies with legislative powers on the Scottish pattern—that they would raise intolerable problems for Parliament and the constitution.

"There remains, however, the possibility of creating a series of elected regional assemblies with the ability to exercise functions in specified fields at present carried out by the central government. If these bodies followed the pattern proposed for the Welsh Assembly the administrative policy in such matters as education, health, housing, highways, water supply local government and land use would be largely determined at regional level."

A second major possibility would involve the creation of elected regional bodies drawing their powers from local government and nominated bodies, such as the water authorities and health service authorities.

It has been argued, the report *says, that there should be about* a dozen directly elected regional authorities which might be responsible for planning, infrastructure development, and community land, water and sewerage, health and economic planning functions; these might be accompanied by "multi-purpose" district authorities whose responsibilities might include housing, education, social services and other major functions below the regional tier.

"The establishment of elected regional authorities of this type would thus in practice directly involve a comprehensive reorganisation of local government. The present two-tier structure *could not sensibly be combined* with a third elected "local" tier.

Limited change: As far as the limited changes are concerned, the document says these could involve alterations in existing regional bodies or some adjustments to local government, or both.

At the regional level, many people have already suggested more effective, strengthened advisory bodies. These would exist primarily to represent regional interests to central government and advise on regional needs. They might be based on the Economic Planning Councils, whose role could be enlarged to encompass a wider range of central and local government interests. Members might continue all to be appointed; or some might be appointed and others elected indirectly by members of local authorities in the region.

Steps along these lines might be accompanied by a stronger representation of the central departments in the regions, and better liaison machinery. This could result in improved decision-making, without altering the responsibilities of Ministers or their accountability to Parliament.

The other option would be to embark on what amounts to a process of local government reform, covering topics under the following broad headings:

(a) **Functions:** This approach could start with a review of the tiers at which local authority *functions are performed*. Desirable changes could take place selectively and if necessary with different patterns in different parts of the country.

(b) **Boundaries:** Changes in functions may call for changes in boundaries. In addition, there will be a case in some areas for adjusting boundaries either because they were unsatisfactorily set by the 1974 reorganisation or because developments since then have made change desirable.

(c) **Ad hoc combinations** of local authorities to tackle particular problems where there is a clear need: wide-ranging powers for joint working already exist under the Local Government Act 1972.

(d) **Scope** for democratising nominated bodies, such as water authorities, could also be examined.

Leonard Burt

Launching the Green Paper on the English aspect of devolution in London are (from the left) Mr. Guy Barnett, Parliamentary Under-Secretary at the Environment Department; Mr. Michael Foot, Leader of the Commons; and Mr. John Smith, Minister of State at the Privy Council Office.

Public asked to give views

THE GREEN Paper on the English aspect of devolution ends with a questionnaire, which the Government will be sending to bodies directly concerned, and which cover the broad points that need an answer:

1 In what fields of Government responsibility in England, if any, is it considered that the present level at which decisions are taken (Whitehall/nominated bodies/counties/districts) is wrong?

2 Is there a case for an English Development Agency or for English regional Development Agencies?

3 What are the advantages and disadvantages of: (a) no change; (b) some form of radical change; (c) some form of limited change?

4 Do people in England have a sense of regional identity strong enough to support regional units of Government?

5 What principles should determine the size of regional areas? How should the boundaries be drawn? How many regions should there be? What should be done about London and the South-East?

6 If regional units were set up, *should their functions* be only advisory and co-ordinating or should they have executive powers?

7 How should any such units be financed?

8 Would the development of regional institutions solve or reduce any national problems? If so, which?

9 Would substantial variation between regions in the standard of public services, and the choice of spending priorities, be acceptable?

10 What are the deficiencies in the present structure, boundaries and distribution of functions within local government? How might they be remedied, broadly within the present structure?

11 What is the degree of urgency of any changes in English arrangements which may be desired?

Members of the public wishing to express their views on these issues or any other aspect of the matters discussed in the consultative document are invited to write to the Constitution Unit, Cabinet Office, Great George Street, London, SW1 3AQ.

Devolution: The English Dimension; SO; 45p.

Doubts in Wales

By Our Own Correspondent

PEOPLE IN WALES are opposed to Government proposals for devolution, an opinion poll revealed last night. The poll of 1,000 people commissioned by HTV Wales and the Western Mail, show that 22 per cent. of those questioned were "very strongly" opposed and 18 per cent. "fairly strongly" opposed to the Government's plans.

Of those questioned 33 per cent. were "neither in favour nor against" with only 27 per cent. in favour.

An overwhelming 79 per cent. backed a referendum.

Should a Welsh Assembly have more power than proposed in the devolution Bill?—More power, 35 per cent.; less, 19 per cent.; about right, 33 per cent.; don'nt know, 13 per cent.

| for more efficient, onsive regional rule

ES REPORTER

APER lists uments for in England, hat Ministers for more matters and would be the people.

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onal change, devolution ment func- nisation of local government, would produce serious administrative problems.

"The creation of a dozen regional authorities with powers similar to those of the Welsh Assembly would involve thousands of additional staff and additional costs probably running into hundreds of millions of pounds.

"The more limited forms of change would not carry the major constitutional implications associated with regional assemblies or authorities, and *they would not involve the disruption* and cost associated with major comprehensive reorganisation." Limited reform of local government might therefore be the most practicable approach to the shortcomings of local government structure the document says.

Financial

"However, such an approach carries its own dangers. It would be desirable to define as clearly as possible in advance the extent of the changes to be aimed at and the circumstances in which particular changes would be contemplated. Without this, a great deal of the existing organisation below the level of central government could be affected by uncertainties."

Regional assemblies, moreover, would call for new financial relations and some would argue that their power to allocate resources should also extend to all services provided by local authorities within the region.

One answer would be to allot each of them a block fund to administer, but this would make the Government's task of economic management more difficult, at a national level.

The report also dwells on the problem of defining the boundaries of any new set of *regions, and comments that the* greater the power given the more important will be the demarcation lines between them. Historical traditions and loyalties would complicate the picture further.

It would also be desirable to achieve a reasonable balance between regions regarding size and potential. But how would the preponderance of London and the South East region of the U.K. be dealt with?

Finally, there are the other delicate issues, such as uprooting a system of local Government which has been in existence for less than three years and perhaps confusing dangerously the average elector.

Moreover, the inclusion of health in the brief of the local authority would mean an overhaul of the structure of the National Health Service.

R ALAN PEACOCK DELIVERS THE SEVENTH HAROLD WINCOTT MEMORIAL LECTURE

Campaigning for the survival of liberal economics

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

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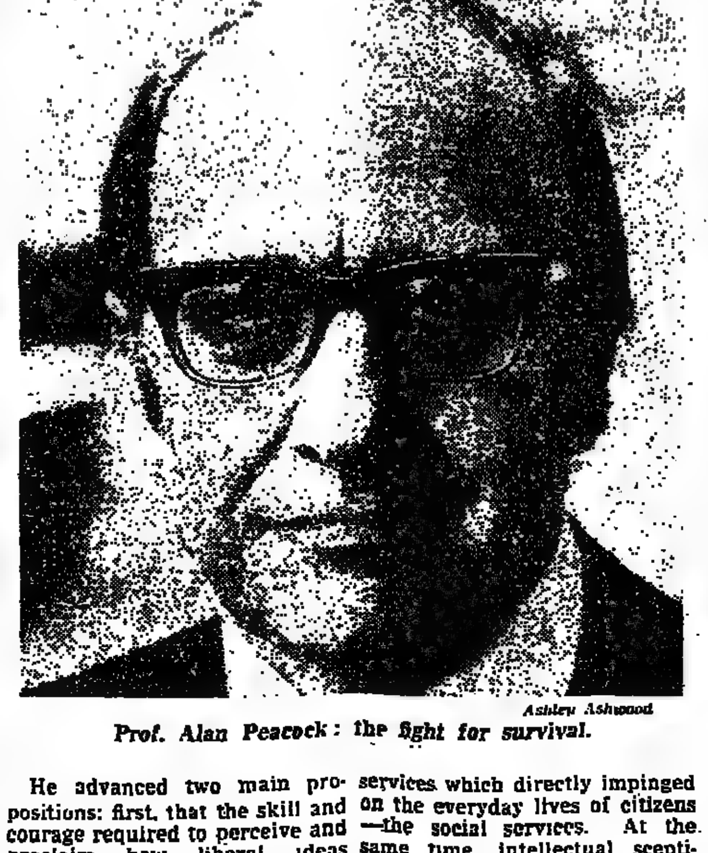


Ashley Ashwood

Prof. Alan Peacock: the fight for survival.

He advanced two main propositions: first, that the skill and courage required to perceive and proclaim how liberal ideas applied to the operation of the economy had, a high opportunity cost to professional economists; and, secondly, that the emotional sales resistance to liberal ideas was particularly virulent among those playing a crucial role in promoting Government services which directly impinged on the everyday lives of citizens—the social services. At the same time, intellectual scepticism towards liberal policies was both marked and influential among those who ran our industrial affairs inside and outside the public sector.

One particularly important dilemma encountered in trying to move towards a more liberal society is that individuals may accept the need for the restoration of incentives and the promotion of individual freedom as ultimate goals, but may not be prepared to suffer the costs of change in moving towards them.

"Thus it is quite possible that support could be enlisted for legislative changes which would eradicate coercion by simple majorities. However, the process by which such changes would have to be instituted and the uncertainty attached to the distribution of the burdens and benefits of change, make it reasonable for many individuals to refuse to face the risks.

Discontent

"There is perhaps a glimmer of hope for liberals in the growing discontent with the conduct of government, as reflected in the unpopularity of the long-term income prospects—including index-linked pensions—of civil servants with security of tenure, and of the disincentive effects of the present social security and income tax systems.

"It may not be evidence that voters wish to see major changes in the tasks of government, but it may show that as taxpayers they have a growing interest in seeing that these tasks are carried out more efficiently.

"We may have reached the stage in Britain at which voter pressure to change the whole electoral system can be mustered much more easily than at any time I can remember.

"Even the relatively simple—but not minor — constitutional change to the single transferable vote offers the prospect of removing the power of the extremists in our two main parties to coerce their colleagues into immoderate action. For then there would be a strong probability that coalitions would become the conventional make-up of any government rather than government by a party with an absolute majority of seats."

Professor Peacock said many would want to go much further than that to avoid the continuance of a system by which governments bought voters' support through lavish spending programmes.

"In order to tie the interests of the working community with the need for removal of distortions caused by large-scale public intervention—which inhibit our economic advance and impair individual freedom — requires from advocates of liberal political economy that they should look closely at the genuine fears of workpeople that removal of imperfections in the labour market may work to their disadvantage.

Compatible

"The traditional liberal view on this has been to point to the advantages to the consumer of more efficient allocation of resources produced by wider competition and new deployment of labour.

"If the price of winning acceptance for dismantling restrictive practices by labour unions, while retaining collective bargaining arrangements, is more worker participation in running industry, encouragement of labour-managed firms — as Peter Jay argued in the sixth Wincott lecture—and the promotion of what Sam Brittan has called 'property rights in jobs,' then I am all for experimentation in such directions.

"The real problem is how to devise systems of worker participation and control which are compatible with the survival and growth of the firm under competitive conditions.

"The tentative agenda I have put forward needs *filling out*. It certainly calls for a considerable adjustment in the attitudes and range of expertise of professional economists who have a genuine interest in the great issues of our day.

"There surely cannot be anything reprehensible in directing our skills towards the study of issues which those most affected by them consider important, and in trying to persuade them that a liberal solution should claim their support."

Prof. Peacock highlighted "the immense distortions produced in the economy by a large, expanding and highly centralised public sector. Such distortions constrain individual initiative and therefore reduce the efficiency with which resources are used.

"The first distortion might be called 'motivation' distortion. A private firm needed an important set of skills to survive. But these skills had increasingly less to do with satisfying the needs of current and potential final consumers. An enormous amount of time and effort had to be devoted to determining how and to what degree the actions of government were likely to determine the profitability, location and even the products of business operations."

"The reputation of major firms becomes more dependent on the public activities of its directors as members of government bodies of all kinds.

"The second distortion relates to the production 'mix.' It seems in the nature of things that large, centralised governments not directly subject to the discipline of the market generate both allocational inefficiency and production inefficiency — the wrong things produced at more *than minimum average cost*.

"It follows that the first two distortions imply a third one—the misallocation of factor inputs. This misallocation is worsened by government legislation which perpetuates imperfections in the labour market.

Dilemma

"The question remains why there is so little public pressure on politicians in Britain to make radical changes. A powerful reason is that the influence of *the public sector* is so widespread and so important financially to individual households and firms that the benefits of a reduction in its size to any given household seem uncertain.

"The diagnosis of our economic condition by the opposing groups, liberals and interventionists, is much the same, with the emphasis shifting very much more towards the inefficient use of factor inputs and away from the more *simpliste* views of the 1960s in which large-scale investment in physical and human capital was popularly considered both a necessary and sufficient condition for growth.

"In particular, the diagnosis points towards improving competitiveness in internationally traded goods and particularly in manufacturing. Then we reach the dividing line between liberals and interventionists. The sceptical pragmatist will argue that there is little that the free market can do to improve performance.

"Reluctantly, so the pragmatic argument continues, the only solution will be to extend selective intervention by government. Paradoxically, therefore, selectivity will be the principal means of preserving rather than destroying the market economy.

"From this familiar line of argument to the understanding of the logic of specific proposals is a big jump. The rationale of those parts of the new Industrial Strategy which are not governed by political shibboleths is principally grounded in the belief that consensus can be reached in respect of both diagnosis and cure of our economic ills and action to promote the cure lies in labour-management co-operation at the industry level.

Neutralised

"The crux of the argument of the intelligent sceptics is that rigidities in both the national and international economy produced by the power of strong vested interest groups cannot be removed.

"At best they can only be neutralised and by methods which will often go counter to the workings of the free market. As an erstwhile civil servant I have come to respect their views and their integrity. But I believe that they offer us a counsel of despair, notably in relation to our domestic economy.

"Moreover I contend that selective state intervention will proliferate across the whole of government producing precisely the result that many of them are anxious to avoid — an administered centralised so-called planned economy, and an inefficient one at that."

The Property Market

BY QUENTIN GUIRDHAM

City trend to owner-occupation: Barclays paying close to £12m.

A feature of the City of London market over the last year has been the number of companies willing to buy themselves out of future rent increases. With rates now around 70 per cent. of market rents, the case for cutting one imponderable out of future accommodation costs has grown stronger, particularly with the general view that the City market was stabilising after the long decline in rental values.

Few get the opportunity to buy freeholds, and in most cases it has been a matter of buying in leases and at least escaping five or seven year rent reviews. Thus INA Corporation bought a 120-year lease from City of London Real Property on its new offices in Lime Street, and S. G. Warburg bought the lease on its existing premises.

The collapse of Amalgamated Investment and Property has allowed three freeholds to go to owner occupiers. Foremost was Amalgamated House to Willis Faber and Dumas, in the well publicised £13.75m. deal, but Head Wrightson also bought its HQ's freehold and shipping group John I. Jacobs has now announced its purchase of 19, Great Winchester Street, from the AIP receiver (for whom Healey & Baker and Knight Frank & Rutley acted).

Having been in two floors and 8,300 square feet of Winchester House, John I. Jacobs (for whom Michael Berman and Company act) is buying the 8,360 square feet development nearby for the classic reasons. It represents "a good long term investment," Jacobs reckoning to have hit the market near the bottom, and a buffer against inevitable future inflation. The price of £1.83m. indicates that in some cases the vacant possession value to such occupiers is now as high or higher than investment value.

Barclays Bank comes in a different category to most such buyers and in some ways has always seemed the likely buyer for the Hongkong and Shanghai Banking Corporation's old premises at Nos. 7-12 and 15-16 Gracechurch Street. Its head office is at the end of Lombard Street and its tower block sits across the road on the corner of Fenchurch Street and Gracechurch Street. Just as the National Westminster and Midland have their own defined patches of the City, this is Barclays'.

The bank is expected to announce to-day that it will buy the Hong Shang offices to refurbish them as around 80,000 square feet of space in which to further centralise its City operations. The price will be close to £12m.

The Hongkong and Shanghai presumably considered the alternatives of refurbishing the building itself as an investment or selling in its present condition. The decision to sell may be seen as indicating that, with a special buyer for a freehold and with the post-MLR uncertainties, it would not get any higher price for vacant possession than the present Barclays' offer.

Already installed since the spring in its new 99 Bishopsgate headquarters, the Hongkong and Shanghai has thus been involved in two of the City's major property transactions of the year. It paid £32.35m for the head leasehold of No. 99, a purchase which comes slightly outside the general trend to owner-occupation, since it was in part a corrective to an expensive lease signed when City rents had barely fallen from their peak. The letting of the 120,00 square feet which the bank and its subsidiaries do not occupy is going ahead with some of the best rents in the City being obtained.

Leeds: Qualified optimism from Weatheralls

Reporting on the market in Leeds, one of the key British cities in terms of the supply-demand balance, Weatherall Hollis and Gale say that while the past year has been a gloomy period in the office market: the position is not desperate when counted against normal annual take-up.

Their figures come out like this: with only two sizeable lettings during the year—totalling only 37,000 square feet—there is now 150,000 square feet of new or refurbished office space available against a figure only a third as great a year ago. There is another 200,000 square feet under construction and a further 100,000 square feet due to commence next year.

Weatherall Hollis and Gale still maintain that "in normal market conditions this would represent a potential undersupply," their reckoning being that the average amount of offices built and let in Leeds during the past 12 years has averaged more than 200,000 square feet a year. "This is why there have been tangible signs of optimism, with new central city projects started for the first time since 1973."

The agents see the opening of the Raglan-Guardian Royal Exchange shopping centre in Albion Street, Vicar Lane and Commercial Street as the most important factor in a shift of retailing emphasis westwards. This will upgrade the west side of Albion Street and concentrate shopping to the west of Briggate. In the prime area of Commercial Street, rental levels on the front 20 feet zones have been up to £40 a square foot.

The report sees a reversal of trends in the industrial market, with interest returning from older and refurbished properties in new estates and particularly for units over 30,000 square feet. With some developers looking again for industrial sites, Weatherall Hollis and Gale say that land prices have stabilised at £30,000 to [illegible]0,000 an acre. The overall average for new space is around the £1 a square feet market, with the best estates commanding £1.25 a square feet.

In terms of investment, the agents not unnaturally maintain that Leeds is still the institutions' most popular northern location and report that, until the MLR rises, yields had been dropping over the year by as much as 1½ or 2 per cent. "With offices in relatively short supply—a fact reflected by a pension fund's purchase of Merton House at an initial yield of under 4 per cent.—most transactions have involved industrial property, where the prime yield was close to 8 per cent."

The next year will be a key one for the Leeds property market, particularly in the offices section where Sheffield is perhaps challenging the traditionally superior attractions of Leeds, and there will have to be a sharply increased demand if Weatherall Hollis and Gale's statement of prime rents at £4.75 a square foot is to be bourne out in major lettings. Perhaps after MEPC's preliminary results next week we will known a little more about how a developer with a large central site feels about "potential undersupply."

OUT AND ABOUT

● Bryn Turner-Samuels will retire from Percy Bilton, where he is managing director and deputy chairman, at the end of the year, aged 55. His departure comes as a surprise, but apparently is simply motivated by the desire to retire from business life. In the years since he left local government, he has been the man in charge of Bilton's dynamic growth as an industrial development and investment group and he leaves it with one of the strongest balance sheets among property companies.

His departure does, however, create a gap at the top of the company, into which the founder Percy Bilton, now approaching 80, will step as managing director as well as chairman. R. J. Woolacott, a long-serving director and Alan Smith, development director, have been appointed assistants to him.

● The former Holy Trinty Church in Finchley Road, London, N.W.3, has been demolished and is to be replaced with a smaller church, a separate block of 24 flats and a 10,000-square foot office block with two penthouses above. The development is being carried out by the Hill Group of Wembley who have been given a long lease on the site by the Church Commissioners.

● At the Church Commissioners' industrial estate at Fifers Lane, Norwich, 13 units have been let within a year and agents Chestertons, with Percy Howes and Co., report a serious inquiry for the remaining two. Rents are around 90p per square foot on standard units whose tenants in Phase Two of the scheme include British Electrical Repairs, Allthread Distributors, Security Express, Littlewoods and Courts Furnishers. Two pre-lettings have been a 17,600 square foot warehouse for Courages and a bank unit by the entrance of the estate for Barclays.

● Crouzet, U.K. subsidiary of the French electrical, electronic and aeronautic group, has centralised its British administration and production in the building formerly occupied by Gillette Industries at Hawley Lane, Farnborough, by the M3. There are 10,000 square feet of offices and 32,000 square feet of industrial and warehouse space. A new 25-year lease has been granted at around £1.20 a square foot. Debenham Tewson and Chinnocks acted for the lessors; John German and Son for Crouzet.

● UDS Group has taken 34,000 square feet of warehouse and office space at Wates Way, Mitcham. The rent was around £1.65 per square foot exclusive. King and Co. did the letting for SGB-Mowlem Properties and UDS were introduced by White Over and Company. The freehold interest has been acquired by the Plessey Pension Trust for whom Gerald Eve acted.

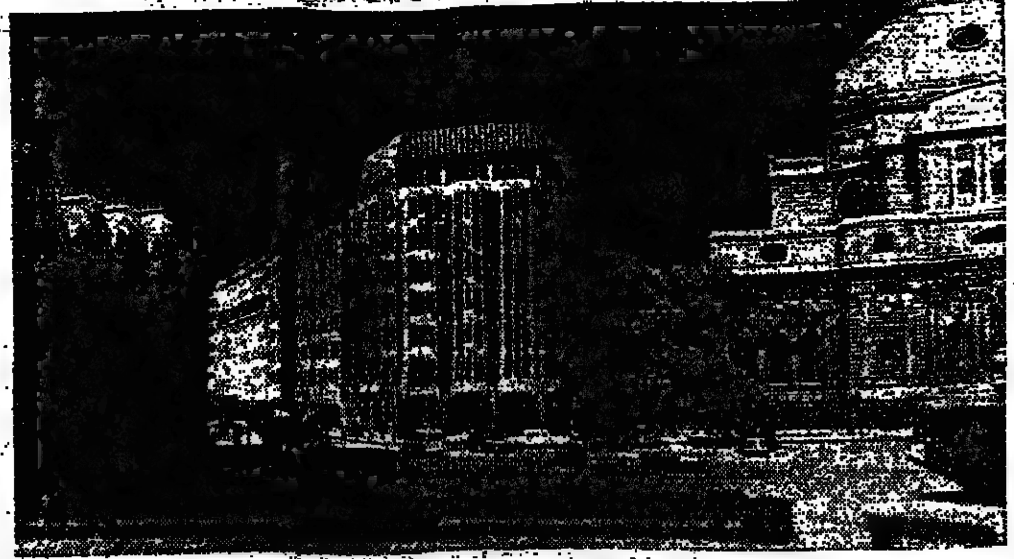
● Hunting Gate Group has exchanged agreements for building a 15,000-square foot office block and 40,000 square feet of warehousing at Eastman Way, Hemel Hempstead, for the Engineering Laboratory Equipment subsidiary of John Mowlem. The three-acre site was obtained on a long lease from the New Towns Commission. The project has been pre-sold to Hambro Life Assurance and the agreed rent is over £1.70 per square foot. Berkeley Hambro Property Company acted for Hambro Life and Gordon Hudson and Co. introduced the tenants to Hunting Gate.

● The final stage of the 400,000 square foot development by Miller Buckley Developments at Elgin Drive, Swindon, has started. The same developer has the first stage of its Ladydown Industrial Estate, Trowbridge, occupied, with units sold to Booker McConnell and Wiltshire Electrical and let to Fitch Lovell and Clapton Building Supplies. The second stage there, with a total of 300,000 square feet of units, is being built to order.

● Percy Bilton has let 32,000 square feet of warehouse and offices to a transport group at Cadwell Lane, Hitchin. Quoting rent was around £1 a square foot and Chamberlain and Willows acted for Bilton.

● English Property Corporation has let 21,000 square feet of offices in its Aberafan Centre shopping scheme in Port Talbot to the PSA. The total of offices in the building, Aberafan House, is nearly 27,000 square feet. Hillier Parker May and Rowden and E. J. Hales and Sons are letting agents on the centre.

● Dimsdale Developments (South East) has sold its 12,500 square foot warehouse at Gatwick, let recently to Lep (Air) at around £2 per square foot, for over £270,000. Letting agents were Johns and Co.



Due for completion in March, 1979, this is the model of the new British headquarters being built for the National Iranian Oil Company. The site, at the bottom of Victoria Street, London, used to be called Abbey House, with to the right the Central Hall, Westminster, and to the left the corner of the Abbey's buildings. The contract is being managed by the Crown Agents and main contractors are Higgs and Hill Building. Overall contract value is around £7.5m., about the sum for which Capital and Counties sold the site to National Iranian Oil last year. The building will have retail space including a Barclays branch on the ground floor and around 120,000 sq. ft. of offices above.

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The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● INSTRUMENTS

World role for U.K. equipment

IN THE past three months, order intake by AEI Scientific Apparatus, of Trafford Park, Manchester, now a wholly-owned subsidiary of the Kratos company of California, has doubled compared with the previous quarter, largely because of the renewed confidence in the AEI marque as a result of the takeover, which became effective on September 1.

It put an end to something like four years of uncertainty for AEI Scientific—virtually an unwanted piece in GEC's giant jigsaw—and created an internationally based specialist group with constituents in the U.K. and the U.S. of about the same size since Kratos has a turnover around £6m. while AEI Scientific is of the order of £4m. and Instem (U.K. process-oriented *company taken over at the same* time) around £1m.

Kratos, which about trebled its income in the past fiscal year, expects to see AEI Scientific in the black during 1977, if the current order rate is maintained. That it should be is not really a matter for speculation, since AEI equipment is being used in most universities in the U.S. and also has a very wide spread in Europe and various Commonwealth countries.

According to Dr. T. Gooding, president of Kratos and managing director of the U.K. acquisition, the one fear the company had in taking over a U.K. entity like AEI Scientific was what relations would be with the existing workforce. As it happens, they could hardly have been better. Productivity is high, costs are about 40 per cent. for comparable staffing in the U.S., and the quality of the finished product is first rate.

The intention is to make Trafford Park a major production centre for mass spectrometer equipment, in particular, but for other equipment as the market develops and to turn the U.K. *into a marketing centre for* Europe and Commonwealth countries.

AEI has contributed to the package two world firsts—a double beam unit and the highest resolution mass spectrometer—while Kratos is contributing a large U.S. base and marketing expertise.

A company has been acquired in Germany and a further company is in process of being set up in France. This is because, Dr. Gooding says, it is not possible to operate a company which sells scientific apparatus as a strictly national or European company. The pace of research and development is such that a company must be world-based to *survive if it is to sell to the* science and development community at large and have a footing in the U.S.

Electronic engineering is progressing at such a pace that any company relying heavily on it, as Kratos must, needs to devote a large part of its development effort in this domain. At the moment, a great deal of redesign effort is going into a number of AEI and Kratos instruments to convert them to microprocessors and large scale integration and the company is spending 10 per cent. of turnover on research and development.

At the same time, it must be remembered that users are getting much more demanding, which means that they will require of their electron beam microscopes the ability to single out any anomaly in a field being examined and subject it to special treatment without interrupting the progress of the microscopy in hand.

This implies a considerable expertise in automation, which is where both Kratos and Instem complement AEI Scientific.

Expectations are that because of the quality of work at Trafford Park, there could be a considerable expansion of manufacturing, bearing in mind that some 80 per cent. of the production is exported.

There are no direct U.K.-based competitors—Varian and VG are the competition on a world basis. But meanwhile, the installed base and the goodwill for AEI are very large in scientific and production control instrumentation terms.

AEI Scientific Apparatus, Barton Dock Road, Urmston, Manchester M31 2DL.

Measures flow of liquids

AN ACCURACY of ±0.5 per cent. is obtained with the Autoflux range of electromagnetic flow meters put on the market by Krohne Measurement and Control, Moulton Park, Northampton NN3 1JZ (0604 499704).

Able to deal with acids, alkalis, water and waste, pastes and slurries without impeding their flow or being corroded by them, the instrument is not affected by inhomogeneity of the fluid or by the presence of ferritic particles in it.

The operation is a direct application of Faraday's induction laws. Coils around the meter section create a magnetic field at right angles to the direction of flow to induce a voltage in the flowing liquid which is mutually at right angles to both the field and the direction of flow; the voltage is detected by electrodes flush-*mounted* in the sides of the meter in contact with the liquid.

Coil/electrode assemblies are available in a range of sizes from a few litres/hour to 100,000 cubic metres/hour. Output from these can be processed by converters to give electrical signals in a number of ways.

● SAFETY

Plastics welding screen

PROVIDING EASY access, but full protection, a welding screen comprised of 3mm thick, 300mm. wide PVC strips which can be formed into a curtain of any size, has been launched by Harefield Rubber Company, Harefield, Middlesex, UB9 6HG *(Harefield 2551).*

Curtains are available in two shades of green (according to the type of welding to be shielded), and the maker says that all harmful radiation is correctly filtered. At the same time, the curtain is partially transparent, so that collisions can be avoided.

Heavy or cumbersome components can easily pass through the hanging strips. These are supported on aluminium sections, and can be fixed or sliding. Maintenance is simple—a single strip can be replaced if damaged. Welding spatter does not adhere, and the screens can be kept clean by wiping.

Another company, Crisvale, which supplies the Transclair and Planartic PVC curtains, at present hung on a rigid top fixing, has developed the easily installed Hang Matic system. This consists of a metal suspension channel with brackets, ready to be screwed into position. PVC curtain strips are supplied fitted with hanging clamps, which can be easily slotted into the channel, without tools.

The strips can be hung and stacked at either end of the channel, and with extra channels fitted can be moved from one location to another. Damaged, scratched or dirty strips can be replaced or moved from the centre to end positions. These curtains are intended mainly for *closing openings to large buildings to retain warm or cool air,* as well as for welding and other screening. Details from 20, Orchard Street, Crawley, Sussex (0293 511207).

The Wavespan curtain consists of 12 inch wide PVC strips incorporating a woven nylon reinforcement. These are overlapped by 8 inches and can be hung up to 22 feet high. They are simply installed by stapling to a wooden lintel.

Intended for areas where ready access is required, the strips are transparent, can be supplied in flame retardant qualities, and in addition to retaining environmental conditions, will exclude noise. More from Flexible Reinforcements, Railway Road, Chorley, PR6 0HL (02572 72211).

● TEXTILES

Electronic pattern maker

MOST OF the multi-head embroidery machines of the world are controlled in their patterning by the traditional punched tape which is mechanically sensed to control the movement of the pantograph. This system has been developed in various ways to control colour change automatically so that instead of having to rethread the needles in the embroidery heads a group of needles can be permanently threaded up and then move on to the working area when required.

Such systems have speed limitations and the pattern cards have a limited life.

A completely new machine has been developed in Germany by Maschinenfabrik Carl Zangs, AG (United Kingdom representatives: Devoge and Co., Droylsden, Manchester), who are the leading makers of shuttle and multi head embroidery machines in Europe. The new machine, shown in Cologne recently at the Clothing Machinery Fair, is able not only to control five *colours automatically, but reads* the pattern from international standard computer tape. This machine is called the 168E, and is capable of a normal working speed of the order of 500 stitches per minute. There is an alternative version called the 168 in which the five colour automatic system is controlled by cards. Here the speed is around 350 selections per minute.

In the case of the electronically controlled machine the pantograph which holds the work being embroidered is driven by stepping motors in both sideways and front and rear directions.

Users who have the card system can acquire a "translator" to convert from paper cards to standard tape. This means that companies that decide to introduce the new system alongside existing systems will not be faced with problems of running both systems side by side while the electronic equipment comes into wider use.

For decorative effects one of the five needles can be replaced *by a boring needle for making* perforated work in embroidery.

The 168 machine is arranged with six heads each having a field of 350 x 230 mm. With such a large field it is possible to set up a group of articles to be decorated at the same time, thus saving stop time for changing the frames.

More from Devoge on 061-370 1247.

Selling to the West Germans

A COMPLETE range of textile marketing services in Germany is being offered by a Frankfurt consultancy. The service specialises in helping British companies to export textiles and clothing to Germany or to establish sales subsidiaries there.

It has arisen out of a basic feasibility study, including the testing of merchandise with *appropriate sales outlets such as* department stores and purchasing associations, the lining up of sales forces and other required personnel, and product introduction. The agency, which has already worked in European textile promotions, believes that the present rate of exchange combined with the high per capita spending on textiles in Germany and the phasing out of excise duty will lead to new sales opportunities for British products on the German market, where textile prices are higher than in most other EEC countries. However, a methodical and sophisticated approach is required if it is to be exploited successfully.

Further from Bureau Florian Schulz, D-6242 Kronberg, Jaminstrasse 11d, Western Germany.

● METALWORKING

Fast cuts on tough materials

COMPACT TOOLS that will *machine chilled cast iron,* hardened tool die steels, and superalloys faster and virtually unaffected by heat are being marketed by General Electric Company of the U.S.

The new compacts are available in the form of standard indexable inserts for use in standard toolholders, and in the form of tool blanks, which are brazed to steel shanks for machining applications where indexable inserts cannot be used. BZN indexable inserts and blanks are manufactured by bonding a layer of polycrystalline cubic boron nitride to a cemented carbide substrate.

Borazon CBN is, next to diamond, the hardest known *material, providing exceptionally* high wear-resistance and edge life in severe machining operations. The cemented tungsten carbide substrate provides high shock resistance.

Borazon CBN does not react with metals or oxidize at temperatures below 1,000 degrees C. This means that BZN Compact tools are virtually unaffected by *heat* generated in high-speed cutting of difficult-to-machine materials.

The inserts are approximately 4.8 mm. (3/16th inch) thick. Thickness of the layer of polycrystalline cubic boron nitride is 0.5 mm. (.020 inch).

When BZN inserts replace conventional tool inserts for a grinding process significant improvements in productivity can be obtained where the machine has the necessary horsepower and rigidity.

More from Specialty Materials Dept., International General Electric, Park Lane, 111, Park Road, London NW8 7JL.

Solders or drills

ISOTIP or Quickcharge rechargeable soldering irons from Greenwood Electronics of Reading can be supplied with a mini-drill attachment—useful for removing solder from printed circuit boards during component replacement.

In most cases the attachment eliminates the need to remove boards or chassis from cabinets when making a repair.

The rechargeable iron is used to unsolder the component and then in a matter of seconds the soldering tip is replaced by the drill to effect easy cleaning of holes. It will accept 0.046 inch diameter drills and the operating speed under normal load conditions is 10,000 to 12,000 rpm. The attachment without the drill is about three inches long and weighs 2.5 ounces. More from Portman Road, Reading, Berks RG3 1NE (0734 595844).

Mobile shear welder

ENDS OF coiled metal strip may be joined to provide a continuous feed to presses and similar machines, with a portable shear welder by Guild International Inc., U.S.

Simple mechanical clamps make the equipment independent of hydraulic and pneumatic supplies and cut weight.

Wheel mounted, the unit can be used to serve a number of machines. To ensure precise alignment of the strip ends, a locating system has been devised which uses a split, elevating, weld back-up bar. This provides a positive gauge bar against which the sheared coil ends are aligned, positioning them for the TIG welding torch.

The machine can handle strip *up to 200mm wide and up to* 2mm thick. It is marketed in Europe by Inductron, Wade Road, Kingsland, Basingstoke, Hants. (0256 24151).

● MATERIALS

Structural composite launched

FOLLOWING TWO years' co-operative development of a new structural composite material Bridgend Processes and Metal Box have formed a partnership called Structural Thermoform.

This will be responsible for marketing, on a world-wide basis, the products to be made under licence by Metal Box Packaging using the structural thermoform technology.

The technology developed is extremely versatile and flexible in its application, and in essence consists of a method of reinforcing plastics to produce (at this stage) mostly two-dimensional or hollow products.

Reinforcement can be of almost any material, provided it is self-supporting, ranging from steel mesh or grid, sheet or expanded metal, to wood or cardboard. For the first application, the manufacture of pallets, a steel grid is used.

Over the grid, a sheet of high density polyethylene is vacuum formed to produce the finished product; the reinforcement is totally encapsulated by the polyethylene, providing a depth of cover which can be up to ½ inch thick, or more.

Considerable sculptural detail can be moulded on the face of the plastics material which can be of almost any type that can be thermally formed. For example, among the pallets in production are some with moulded registers on the deck to help secure loads, such as beer kegs. Pallets capable of carrying up to five tons can easily be produced.

Current development is concentrating on a range of crates and containers, while future projects include items as diverse as small work boats (six passengers, light and cheap), hexagons for geodetic dome construction, and display units.

The company, which is seeking overseas licensees, is at Westmoreland Road, London, NW9 9RR (01-204 7276).

● COMPUTING

Flood alarm prediction at low cost

THE SMALL desk top computer from IBM—the 5100—is destined to play an unexpected role in an early warning system for floods, primarily for Central America.

The United Nations environmental agency has picked the IBM 5100 and an associated program which was developed at IBM's Pisa Scientific Centre. The work was presented at the recent International Institute for Applied Systems Analysis workshop on real-time forecasting for water resources.

The trick of cutting the cost of flood warning in hurricane areas and other sensitive basin formations has been done by developing a simpler set of data manipulations for the job. Instead of the very large sets of equations handled by the U.S. National Weather Service, the Pisa work looked at catchment calculations by combining two linear integrations for rainfall effects.

It turns out that by linking these two "shorthand" rules for the run-off of rain, as good results are given as for the most complex models. Special interfaces for sensor data collection for immediate analysis are needed, but the use of a £10,000 machine for the predictions is perfectly adequate, the Pisa Centre reports.

he Management Page

EDITED BY JOHN ELLIOTT

rey Owen outlines the difficulties a major company faces in setting a rate of return

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perience of what is often a feasible target. However, the acceptability of any given return is greatly dependent on inflation and interest rates. A 10 per cent. return might be less satisfactory in the U.K. (because in real terms the figure would be much smaller) than a lower return in a low inflation country like Switzerland.

There is no iron rule that if a business falls over a period below a return of, say, 3-4 per cent. it must be closed down or sold. Quite apart from the non-financial arguments which make "socially responsible" companies extremely reluctant to close down operations, there is a general presumption that the return can normally be restored to acceptable levels by putting in new management or devoting more resources to the business, so that manufacturing and marketing efficiency can be improved.

"When a subsidiary sends in its five-year plan," says the treasurer, "we're mainly interested in three elements—the rate of growth, the yield on the investment, and cash flow." The increase in volume is not calculated on a straight tonnage business but takes account of changes in mix. "We compare the rate of growth against the expected increase in real purchasing power and we're unhappy at anything less than 5 per cent. A business has to grow to be healthy: there are always going to be additional costs—new regulations and complications of one sort or another—and you need a rising volume to cope with the extra overheads."

It is the yield which highlights the problems caused by rapid inflation. In many of its overseas companies outside Europe this group has been using a form of constant purchasing power (CPP) accounting since 1970. "We learnt our lesson in South America. We made a sizeable investment there in the early 1960s. For several years the business seemed to be making reasonable profits, but we kept on having to pump in money to keep it going. The management told us there was no point in a switch to inflation accounting, since they were already charging what the market could bear."

After five years the group insisted on inflation adjusted management accounts, so that the local management knew every month how much profit—or rather loss—they were really making. The results were remarkable. "By some mysterious process which I don't fully understand, the management were able, by reducing costs and increasing prices, to turn the business round so that it began to make a real profit. Perhaps the sight of how badly the business was really doing gave them the confidence to take risks, or to face up to unpleasant decisions. The incentive just wasn't there when they thought they were doing reasonably well."

After this, the group decided to apply the same treatment on a wider scale outside Europe. "The inflation proofing system we adopted wasn't ideal, but it did take full account of inflation in a broad way and it has certainly been effective in ramming home the full impact of inflation."

No interest

In Europe the position is much less satisfactory. There is no great interest in inflation accounting in low inflation countries, and in countries like the U.K. there has been disagreement on what system is appropriate. In several subsidiaries and at the centre, the group has used CPP on an ad hoc basis particularly when it was thought that CPP was likely to be adopted, at least in the U.K. More recently, they asked their European subsidiaries to calculate a cost of sales adjustment as proposed by Sandilands. "This is in order to give ourselves some experience and to resolve some of the technical problems. As soon as we are satisfied with the system, we will adopt it for management accounting purposes and perhaps for our published accounts in 1978."

Under the Sandilands Current Cost Accounting system (CCA), the charge for cost of sales in the profit and loss account should reflect the current value of the new materials consumed during the year; the effect is to exclude stock appreciation from the company's operating profit. The cost of sales adjustment is basically the difference in value at January 1 and December 31 prices of the stock value at the beginning of the year.

The CPP system, of which the group has acquired some experience, and the CCA system, on which experiments are now being conducted, produce very different sets of figures. There is a great danger of confusing the managers of subsidiaries, most of whom, after all, are not trained accountants. "They just do not know where they stand," says the treasurer. "They are aware that the figures they see every month overstate their true profits, but they do not know by how much. If we keep changing the system, they do not have a solid base on which to take day-to-day management decisions. They will all breathe a huge sigh of relief when the accounting profession, industry and the Government agree on a new system and stick to it. As long as the system is relatively simple and practical, they will make it work just as our companies did in South America."

SCIENTIFIC ADVISERS

BY DAVID FISHLOCK

Voice re-created in government

MOVES ARE being made in both London and Washington to re-establish direct communications between scientists and top levels of government. They come four years after former President Nixon abandoned the post of chief scientific adviser to the White House and nearly three years after the equivalent position was left vacant in Britain when Sir Alan Cottrell returned to Cambridge early in 1974. The British post was officially abandoned last summer

In Washington, the position of scientific adviser to the White House has been reborn, and is occupied by Dr. Guyford Stever, a genial elder statesman of U.S. science. He hopes to have no fewer than four top-level advisory bodies in being before handing over to a new man in January. In London, on the other hand, a council of scientific advisers has been set up under the chairmanship of a senior minister and it holds its first meeting next month.

Why these moves have become necessary differ between the two countries. In the U.S., there has been intense lobbying by a scientific community afraid, to quote one Washington commentator, "that their big patron, Government, is going to lose interest in them or become insensitive to their special needs . . ." In Britain, it is apparently the outcome of a Cabinet conclusion that there was no one scientist capable of fulfilling the coveted post.

Differences

On closer examination, however, the differences seem more apparent than real. The point is not that there is someone close to the seat of power called a Chief Scientific Adviser, but that there should be a way in which the scientific and technical community can make its voice heard in Cabinet.

"The job is not just to be an advocate of science and technology," says Dr. Stever; it should be to advise on the priorities of spending money. Questions to be asked include whether the U.S. allocates too much to space; to cancer; whether it is spending enough on the basic sciences or on advanced energy systems or on agriculture.

Dr. Stever relinquished his post three months ago as director of the National Science Foundation to become Chief Scientific Adviser to the U.S. President. His task—undertaken on the understanding that whatever the outcome of the presidential election he would retire in January—is to set up what is potentially the most influential office of science and technology in the world.

"I believe that for the rest of our lives the economy, energy and the environment—the three E's—are going to be in conflict," says Dr. Stever. "None is going to win. There will be a lot of compromises."

Helping to reconcile the "three E's" is just one of the complex pieces of scientific diplomacy in which the new office is becoming embroiled. Often the economic consequences of its advice will extend far beyond the U.S., even though other countries may see the problem differently. For example, a unilateral U.S. ban on the use by industry of aerosol propellant gases would be seen in Britain as far less of an environmental threat. The intensity felt about other problems, in energy especially, may quite genuinely vary from country to country.

From his office in the Old Executive Building adjoining the White House in Washington, Dr. Stever explained that he has spent the last three months organising scientific advice for the presidential team. He has the boffin's enthusiasm for the technical resources he has been allocated—powerful computers and international communications equipment which would make it the envy of any such office abroad. He admits that there was pressure from an aggrieved science establishment for the post to be restored, but claims nevertheless that the voice of the new office is already being heard more clearly in the White House. His influence—notably with the Office of Management and Budget—helped to maintain science budgets during the recession.

Dr. Stever's main task has been to organise human resources. Of a budget of \$2.3m. (£1.38m.) for 1977, he expects to spend about \$1m. (£600,000) on salaries for his team of 30. No British chief scientific adviser ever enjoyed resources remotely approaching these. (Sir Alan Cottrell had a secretariat of about six in the Cabinet office, but no budget.) Much of the balance will be

Sir James Menter, on whom the success of the U.K.'s new scientific advisory council will chiefly rest.

spent on commissioning studies of problems his staff and committee pinpoint.

The background to Dr. Stever's task is that four years ago President Nixon abolished the post of White House Chief Scientific Adviser and his Office of Science and Technology. But Mr. Ford, then vice-president, was already expressing concern at the move. Within two weeks of becoming President he called in Dr. Stever for discussions about re-establishing the post.

In fact this took two years during which time Dr. Stever acted as presidential science adviser and latterly as "science adviser in exile." But the Bill that brought back the post also ensured that it would no longer be sustained at the whim of the President but would be a permanent feature of the White House team.

Provisions

There were four main provisions to the new Bill. The first called for an Office of Science and Technology Policy, of which the chief scientific adviser would be the director. The second provision was for a presidential committee on Science and Technology, to be "somewhat independent" (its chairman is a leading industrial scientist) which reports directly to the President and Congress. Its job is to study the organisation of science and technology in Government—including the possibility of there being a Department of Science. But "in no sense does the committee act as a watchdog over the chief scientific adviser, however—"I already have plenty of those," Dr. Stever says.

Then there is the Federal Co-ordinating Council for Science, Engineering and Technology, of which Dr. Stever is chairman, which has the job of co-ordinating science nationwide. The fourth provision is for an inter-governmental science, technology and engineering panel, a venture which resembles the committee of departmental chief scientists in Whitehall.

The existence of these departmental chief scientists indicates why the post of chief scientific adviser has been abandoned in Britain. The scientists ensure that a voice will be heard at deputy-secretary level—much higher, except in such departments as defence, than usually obtained before 1972. Even so, their effective influence in the economy varies considerably: this is inevitable, because whereas the Department of Industry influences about 35 per cent. of the gross national product, the Ministry of Agriculture, Fisheries and Food influences only about 3 per cent. of GNP.

These departmental chief scientists, together with the head of the Central Review Policy Staff—the Cabinet Office "think tank"—and his chief scientist, are to be the assessors of the new Advisory Council for Applied Research and Development (ACARD). Chairman of ACARD and therefore its voice in the Cabinet is Lord Peart, the Lord Privy Seal. In effect, Lord Peart will be minister for science. His deputy—on whom ACARD's success will chiefly rest—is Sir James Menter, an eminent industrial scientist, now principal of Queen Mary College, London, but still a director of Tube Investments. Among the other members of ACARD are Sir Peter Matthews, managing director of Vickers, Mr. Monty Pennell, deputy chairman of British Petroleum, Mr. Robert Clayton, technical director of GEC, and Dr. Alfred Spinks, research director of ICI.

ACARD closely resembles the long-defunct Advisory Council on Scientific Policy, the post-war precursor of the post of chief scientific adviser in Britain, which was originally under the chairmanship of Lord Todd, now president of the Royal Society. But ACARD will enjoy much greater resources, says Lord Todd—most conspicuously through the offices of the departmental chief scientists.

Lord Todd believes that what Whitehall needs is not one man in the role of chief scientific adviser—however flattering this may seem to the scientific establishment—but a powerful independent group advising the Cabinet. No one man, he contends, could perform such a task satisfactorily to-day, embracing both the range of issues and the intricacies of the Whitehall machine. But ACARD is a step in the right direction.

Arguments

Contesting this view is Sir Brian Flowers, rector of Imperial College, London, and formerly chairman of the Science Research Council, who believes that one of the strongest arguments for retaining the post is that Britain needs someone who takes both a long-range view of the nation's technological progress and influences and a horizontal view of the interactions between them. These are tasks, he says, which cannot be expected of any individual department of government.

But Sir Brian, who a few years ago was considered the likeliest candidate to succeed Lord Zuckerman when he retired in 1971 as chief scientific adviser, was recently responsible for a report from the Royal Commission on Environmental Pollution, a report which undoubtedly compounded what Zuckerman himself once described as one of the major problems for government and its science advisers. This is, as he put it, "how to sift responsible from irresponsible advice, how to prevent public knowledge about science from becoming overwhelmingly tinged by emotion or even from assuming some political intent."

Business courses

Developing Overseas Trade. The Administrative Staff College, Henley, February 9-12. Fee: £200 plus VAT, which includes accommodation and meals. Further details from The Administrative Staff College, Greenlands, Henley-on-Thames, Oxon RG9 3AU.

Current Cost Accounting—The Proposed New Standard, in London on January 26 or in Glasgow on February 10. Fee: £50 plus VAT. Details from ASM Ltd., 5, The Parade, St. Johns Hill, London SW17 1TG.

Investment for Production. Brunel University, Uxbridge, January 5-6. Fee: £105. Details from The Secretary, Management Programme, Brunel University, Uxbridge, Middlesex UB8 3PH.

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FRIDAY, DECEMBER 10, 1976

Devolution muddle

YESTERDAY'S GREEN Paper about the English "dimension" of devolution is an exceedingly odd document. It begins by stating that the Government always intended its review of administrative arrangements in the U.K. to cover England as well as Scotland and Wales. It goes on to say that at this stage the Government is not advocating any specific course of action in England, but follows this up promptly with the declaration that "the Government firmly believes, however, that establishing such an assembly for England could damage the structure of the United Kingdom in ways which the creation of a Scottish Assembly would not." After some discussion of alternatives, it comes to the conclusion that "limited reform of local government might therefore be the most practicable approach to the shortcomings of local government structure."

But since local government has been thoroughly reorganised, however badly—like the Health Service, the police, and the water supply industry—so recently that the effects (including the effects on local expenditure) have not yet been fully absorbed, there is a case for leaving well alone for at least some time to come. The Green Paper makes this point, and ends up with a series of extremely general questions on which members of the public are invited to express their views.

Green Paper

One cannot help being puzzled about the reasons for the publication of so vague a document at this particular time, and is tempted to believe that they are mainly political. Although the Government has been forced by the state of Scottish opinion and the risk to Scottish Labour MPs to put forward proposals for limited devolution, it cannot be altogether blind to the risk that the Nationalists, having obtained a first instalment of the independence they want, will go on to press for more. A considerable part of yesterday's Green Paper is devoted to spelling out the reasoning behind the Government's proposals for Scotland and Wales and emphasising that overriding powers will remain with Parliament.

Similarly, the latest issue of Economic Trends contains a fuller breakdown than in the past of national income statistics for various regions of the U.K. — which shows, for example, that in 1974 (the latest year for which figures are available) gross domestic product per head amounted to £1,104 in Wales and £1,229 in Scotland against £1,350 for England and £1,534 for the South-East. Such figures will undoubtedly be used in arguments about the extent to which one part of the country is subsidising another.

The Green Paper and the new statistics happen to have been published, however, at a time when the difference of opinion within the Conservative Party about the issue have come out into the open. The shadow Secretary for Scotland and another front-bench spokesman on Scottish affairs have resigned, and others have been persuaded not to do so on the understanding that they will be allowed to vote as they please.

Possible failure

Some such occurrence became almost inevitable once the Conservative leadership decided to oppose the Bill on its second reading, despite the fact that many Scottish Conservatives (and some others, including Mr. Heath) were either themselves in favour of devolution or feared that such an action would be interpreted in Scotland to mean that the Conservative Party was opposed to devolution—with potentially disastrous political results. But one of its effects may be to make a complex political situation more complex still, once the Committee stage of the Bill is reached. Now that it is clear that a number of Conservatives will either vote for the Bill or abstain, the considerably larger number of Labour MPs who are opposed to devolution may feel themselves at greater liberty to vote according to their convictions. In that case, the Bill —at least in its present form —might fail.

Democracy on test in Portugal

THE closing days of Portugal's crucial local election campaign have been marred by bombings and clashes between police and Left wingers. Although the identity of those who disrupted Lisbon's water supply yesterday is still unknown, their aim was clearly to undermine claims by Sr. Mario Soares, the Prime Minister, that his minority Socialist Government is the only one capable of ensuring stability. In most democracies electoral violence is counter-productive, and there is no reason to suppose that the incidents of the last few days will cost Sr. Soares votes on Sunday. If his support diminishes, as it almost certainly will, it will be for much more deep-seated economic and political reasons.

Unemployment

Sr. Soares has long known that the fate of his minority Government hinges on the outcome of Sunday's poll, even if its formal purpose is only to elect municipal officials. He has also long been fully aware that the vote would come at an extremely bad moment for his party, only 4½ months after his installation as Prime Minister. While it is still too early to judge the success of his efforts to get the country back on the rails by a combination of discipline and economic austerity, the unpopular effects of his policies have already been widely felt. Unemployment is still running at 15 per cent., inflation at 35 per cent., and the country's massive trade deficit still widening.

The Communists, who have launched a full-scale attack on the Government in the factories and in the farmlands of the Southern Alentejo region, are widely expected to make considerable inroads. The Government has taken the risk of appearing to break campaign regulations by warning farmers not to support the Communist-backed Rural Workers' Union in the Alentejo, and has tried to bring home to them their dependence on Government finance for survival. But the Communists are heavily exploiting the Government's decision to restore expropriated land, at least in part, to its dispossessed owners, which they are branding as a return to the old capitalist ways

In the industrial centres, the Communists are profiting from resentment at the Government's attempts to restore discipline by curbing the right to strike and reintroducing the notion that workers can be dismissed for indiscipline. The Communists have responded sharply to Government attempts to break their grip on the national labour confederation, and the Socialist campaign to woo individual unions away from the Communists has so far had little success.

Under attack

But it is not only from his left that Sr. Soares is under attack. The fear of a Communist resurgence is strengthening the hand of the two main opposition parties to his right —the Social Democrats and the Centre Democrats — who together won more of the popular vote than the Socialists in last April's legislative assembly elections. They may well prove attractive to white-collar workers, alarmed at the continuing high level of inflation.

The Socialists seem to be reconciled to seeing their share of the vote drop from the 35 per cent. they won in April, and are now simply hoping that their losses will not be too great. If they lose heavily, President Eanes is widely expected to put pressure on Sr. Soares to broaden his Government by bringing in one or both of the two Parties to his right. Alternatively, the President may want to establish a national Government with a military man as Prime Minister. Sunday's election will be another key test of the durability of Portugal's young democracy.

NUM Left-wingers now see a chance to breach the social contract. Christian Tyler reports.

The real question behind the miners' coalfield ballot

WHEN A MINER in Mansfield goes into the pit yard polling booth to mark his union ballot paper, the politician in Westminster holds his breath. Parliamentary by-elections, like the four just witnessed, may set the political adrenalin flowing for what they spell in terms of House of Commons majorities and General Election prospects; but a miners' ballot, like the one which closed last night, on the subject of early retirement, may decide whether a government can continue to govern at all.

Sam Hadfield started mining in Yorkshire at 14. Now 61; he has worked underground at the Snowdown pit, Kent, for 42 years. Terry Kirk

Whether or not they enjoy the sensation, miners are well aware that ever since the 1972 national strike, their voting decisions have important political consequences. The question this time is not so much what the result will be—soundings from many areas suggest the miners will authorise their National Executive to call industrial action in pursuit of their early retirement claim—but how the executive will make use of that decision.

Labour politicians should be nervous not because all 260,000 miners want to see the Government fall—they don't—but because negotiations between the National Union of Mineworkers and the National Coal Board have a habit of going awry. Once the miners have said "yes" at the pithead to industrial action and their blood is up, it is that much harder for their union to negotiate back from the brink.

In spite of the confidence of "moderates" in the union that the tactical plan—designed to wring something extra out of the Coal Board before the NUM gives up quietly—is well under control, there has already come a chill warning from the Left in the person of Mr. Mick McGahey, vice president of the union, that the Coal Board is bungling things as it did before the 1972 and 1974 national strikes.

Starting on Wednesday, and ending last night, miners had to answer one question: "Are you in favour of rejecting the Board's offer and giving authority to the National Executive Committee to call industrial action if necessary?"

What matters when the result is declared early next week is how big that "yes" vote will be (assuming the predictions are right). Mr. Joe Gormley, the NUM president, has already made it clear he will be back at the Coal Board asking for more whatever the result. But a big "yes" vote—say 70 per cent. compared with the 55 per cent. needed for a binding decision—will strengthen the determination of the Left-wing of the union leadership not to let Mr. Gormley and the Coal Board—or as they see it, the Government—get away with a compromise to save the social contract.

The miners have asked for their retirement age to be lowered from 65 to 60 from the end of the month, and by half-year steps down to 55 years by the middle of 1980. They want "make-up pay ensuring no loss of income or concessionary fuel entitlement up to State retirement age." The political sting in the claim is not the cost—although that would be very large—but the fact that the only way the first part of the claim could be met within the present pay policy is for the cash value of early retirement to be deducted from the 5 per cent. earnings rise for which the miners fall due in March. And the NUM is not interested in that escape route for the Coal Board.

In reply, the Board has proposed a voluntary scheme, which would start when the present or any subsequent pay policy allowed. Men with 25 years underground work behind them could opt to retire at 64 in the first year of the scheme, 63 in the second and 62 in the third, says the Board.

This offer has been around since June, and it was the Board's failure to add to its offer when formal negotiations opened two weeks ago (they had, they said, put everything on the table from the start) that led the NUM to its unexpectedly sudden and unanimous decision to launch the ballot.

It would be foolish at this stage to bet on the eventual outcome of resumed negotiations, however good the signs for a peaceful settlement may be. After all, both the national pit strikes this decade grew out of overtime bans — the sanction favoured by many miners this time.

In weighing the odds, a distinction must be drawn between what individual miners mean by their ballot votes and what the opposing political factions on the National Executive will make of the crude sum of those individual decisions.

Traditionally moderate

In this ballot, the area to watch is Nottinghamshire, the largest after Yorkshire of the NUM's 21 semi-autonomous constituencies. It was Nottinghamshire, the traditionally moderate area, which decided to make early retirement the big issue for 1976—partly, it may be said, to head off a Left-wing campaign for a pay rise that would have torpedoed the pay policy. But few of the area delegates who in February approved the main Nottinghamshire resolution for the union's annual conference in the Isle of Man realised at the time that they were themselves setting a slow fuse under the social contract.

It has put Mr. Len Clarke, Nottingham area president and a leading light of the Right-Wing faction on the National Executive, in something of a spot. He cannot renege on his own area's resolution without losing credibility, but the resolution, as written, cuts right across the social contract to which he has committed himself.

Of course the Communists on the Executive—including the Nottingham financial secretary, Mr. Joe Whelan—who have attacked the social contract from the start ("social con-trick" is what they call it) can scarcely contain their glee at the way the tables have been turned. "Hoist with their own petard," is how Mr. Whelan put it this week.

Among Nottinghamshire's rank-and-file miners there are few doubts that a big majority in favour of the Executive's stand will have been delivered last night. None doubts the validity of the claim. As one young miner, himself suffering from premature arthritis, said: "It's really terrible to see men crawling to work, stopping every hundred yards to get their breath. They should have been retired years ago." He is one of 1,600 men at Mansfield Colliery, a large, productive and relatively peaceful pit on the edge of the town, which voted yesterday. The colliery's branch secretary, Joe Johnson, thinks support for the National Executive will be overwhelming—and he holds no brief on most issues for the NUM's political Left.

"I don't think the membership really supports the resolution as it stands" he said. "Most think early retirement should be phased in." This conciliatory view is shared by other Mansfield miners who see their area demand as an opening bid in negotiations, not a chance to smash the social contract. But as Mr. Johnson said: "If the NCB don't improve the offer there will be industrial action —and I think any Government should be frightened if miners take their jackets off and say, 'Right, this is it.'"

Mansfield miners clearly believe the time for early retirement has come—whether it be next month or at the end of the present pay policy next August. Apart from purely compassionate reasons, they say that Britain's entry into the Common Market four years ago should have brought them at least the early retirement options enjoyed by their European colleagues.

They know, too, that the steelworkers belonging to the Iron and Steel Trades Confederation and to the National Union of Blastfurnacemen have lodged early retirement claims; and they find it invidious that civil servants, policemen and firemen can leave at 60. One 64-year-old who has worked for 47 years underground blamed the union for not making a stand earlier. Mr. Johnson's explanation is that there has never been a time since the days of the private coal companies when the union could afford to become deflected from the battle first for redundancy protection during the Robens run-down and then for wage rises under successive incomes policies.

The final strand of the argument is that early retirement will provide many more jobs for the young at a time of record unemployment. The average age of Mansfield Colliery's faceworkers is 47; and according to "Lol" Foster, the branch president, there are about 100 men who ought to be retired now because of poor health. But jobs on the surface are scarce for these men.

In some pits, it is said, managers will bend the rules to help a sick man by declaring his job redundant and making him eligible for the miners' redundancy scheme which gives a lump sum plus 90 per cent. of take-home pay for three years. But for the majority, arthritis, rheumatism, injury or dust in the lungs (a condition which mining machinery has actually aggravated) means choosing between retiring sick on a small weekly pension or struggling on to sustain the family income level.

Miners find the employment opportunity argument attractive. The Coal Board thinks it could be disastrous. It says that to meet the NUM claim would mean the loss of 20,000 jobs next year and 80,000—or a third of the present workforce—by 1980. To replace those men, and counter natural wastage, would mean recruiting over 150,000 men in the next three and a-half years.

The miners' answer to that, of course, is that the Board should raise the top wage to £100 a week—the NUM's latest target —or even to £200 a week. Certainly at present, few miners want to see their sons follow them into the industry.

In a sense, the Mansfield miners' arguments have already been heard, and the principle of the claim conceded. The Coal Board has put forward concrete proposals and the Government is sympathetic. But the argument will not be over until the National Executive has settled its own political battle and the "moderates," with their slight voting majority over the five Communists and six Labour Left members, have fought their way out of a corner. At the beginning the Left-wing may have doubted the viability of the retirement age claim. But with the prospect of a big vote for industrial action from the coalfields, they now see it as possibly the beginning of the end of the social contract.

MEN AND MATTERS

The State copycats

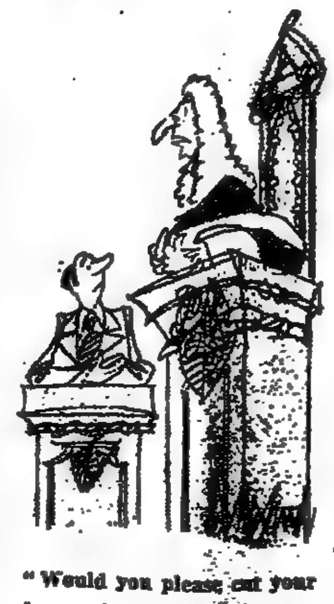
SPD, Unilever's transport consortium subsidiary, is feeling more than a little aggrieved about its State-owned rival National Carriers. The basic trouble is that good, new ideas in road haulage are both rare and unpatentable.

SPD has come up with quite a number of "specialist services" in the last ten years. Tibbett and Britten, half-owned by SPD, started a hanging garments service seven years ago, designed to take the crease out of clothing transport. Five years later (too late to make much impact according to SPD) National Carriers, which is part of the National Freight Corporation, came up with Fashionflow, designed to meet the same customer requirements.

Yesterday the whole process was repeated, in a rather speeded up fashion, when, just over a year after SPD launched its Carrycare pottery and glassware transport service, NCL announced its new pottery carrying service: Chinaflow. Opinions differ on whether there is room for two in a £5m. market, which Carrycare has already developed to a marginally profitable level.

The big fear at Carrycare is a bout of price-cutting, but pride was hurt too when the company's managers heard that NCL had decided after many years traditional parcels-type service to the industry, that a specialist traying operation, the basis of the Carrycare system, was called for.

Interestingly enough, Sir Daniel Pettit, chairman of NFC is a former SPD chairman, and the man who recently took over as managing director of Tibbett and Britten is Alan Richards, who a couple of years ago was responsible for getting Fashionflow on the road when he was assistant managing director at National Carriers.



"Would you please cut your long story and mounting legal aid bill short!"

Page, staying behind

While Jimmy Gulliver continues his travels through the food industry (he is now leaving RCA-owned Oriel Foods) and his colleagues Alistair Grant and David Webster are set to follow, not all his influence will be lost at the company he built up. For his successor, John Page, admits to having made his first approach to Oriel because he was attracted to the Gulliver style.

He takes over as president and chief executive (RCA say they prefer American to British titles so there will no longer be a chairman and managing director) after only two years with the company. He is 31 and has the almost obligatory qualification of having been to Harvard Business School, having previously graduated from Manchester University. In between he began his business life making Milky Ways for Mars at Slough and then went on to become a consultant.

One of Page's first jobs with Oriel is going to be filling the management gaps that will appear when Grant and Webster leave after a transitional period expected to be not longer than three months. He is relying on the large majority of the rest of the present management throughout the group staying with him and intends to visit each section to urge them to do so. He will tell them that they need fear no sudden switch in the way the company is run. "I think you will find," Page says, "that my style will be pretty much the same."

Hard life

There was, oddly, something of a night clubbish air for any latecomer to one event being held yesterday in London. In a darkened ballroom adjoining a West End restaurant, a single spotlight picked out a bespectacled American who was wisecracking away to the delight of his chortling audience.

But a couple of things quickly dispelled any show biz vibrations. On a large screen was one of those irritatingly simplistic slides beloved by marketing men which show a handful of words and a percentage sign or two; and the wisecracker was getting his laughs with a tale on the lines of "So you ask the chairman why he won't talk to the FT anymore, and he says because of this morning's article, and you say but it was correct, profits are down . . ."

The occasion was the presentation of the results of a survey on public relations, and the tenor of the occasion seemed to be the old one of why can't people learn to love us? The survey, carried out by a PR firm (who else?) among 500 top companies, concluded that 67 per cent. of PRs thought they had only a marginal or minimal as against a significant impact on corporate policy; and only 45 per cent. felt that top management had a grasp of what "effective public relations can really accomplish."

Sounds a hard life, but the results did show that in-house PRs are reasonably rewarded. Of those questioned, 23 per cent. earned more than £10,000 a year. But the audience was clearly nettled by the thought that the world at large would in future think of PRs as wealthy.

One PR man went as far as suggesting that publication of the survey itself was liable to damage the image of the job. Problems, problems. And one of the biggest, according to the jokey speaker—Bob Leaf, head of the international side of the Burston-Marsteller firm — was that expression "public relations," the very mention of which tended, in his view, to turn many managements grey at the gills.

Things were better in the States, said Leaf, where PRs stood more chance of making it on to the Board. Perhaps the lesson is being learned here too: seven of the PR persons surveyed now call themselves head of communications, and four have the modish title of director of public affairs.

Classical

Under a "Make Love, Not War" slogan near Victoria Station, someone has added "Amo, Amas, Amat it again."

Observer

FINANCIAL TIMES SURVEY
Friday December 10 1976

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Arab Emirates is d's most remark- nstitutions. Into it groups seven different sizes each ruled by a which has been enerations. On brates its fifth

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UNITED ARAB EMIRATES

Sharjah

One of the seven states in the United Arab Emirates, Sharjah is undergoing an explosive economic boom, stimulated both by the prosperity of the Federation and by the Emirate's oil revenue. Its pragmatic approach to development should soon show dividends.

pressure for change from some of the other Emirates, of which by far the most committed has been Sharjah.

Sharjah lies near the geographical centre of the populated part of the UAE and is in the middle of the political and economic spectrum too. It is neither as rich as Abu Dhabi and Dubai, nor as poor as Fujairah and Umm al Qaiwain. Its Ruler, Sheikh Sultan bin Mohammed al-Qasimi, takes a positive approach to the growth of the federation, while at the same time being anxious that Sharjah, which has a long history of political and commercial importance, should not lose its identity. It is an oil-producer but only a small one.

The Emirate, which is well known to many people in the U.K. as a former British base, stretches from the sandy Gulf coast up to the mountains at the heart of the Musandum Peninsula, and it also possesses three enclaves on the eastern coast of the UAE, only recently connected to the capital, Sharjah, by tarmac road. The State has a population of perhaps 100,000, of whom probably 25,000-30,000 are native Sharjans (a relatively high proportion for the UAE) and the rest immigrants from the Arab world and the Indian sub-continent, with about 10,000 European expatriates as well.

Services

Sharjah is trying to take advantage both of its modest oil income and the general prosperity of the federation to build up a State which will be able to offer services not easily available elsewhere in the federation, and so create an economy which should be able to survive when the terms of trade alter and oil states like the UAE have to rely on more than just the sale of crude. The development of Sharjah began under the former Ruler, Sheikh Khalid, who was assassinated in a palace coup early in 1972, and has been considerably speeded up under Sheikh Sultan, who succeeded him.

Despite the careful planning that is going on, Sharjah has all the appearance of a boom town enjoying headlong growth. It is probably the fastest growing State in the Gulf despite having the smallest oil revenue, and whole districts of the town of Sharjah are being erected simultaneously. The economic boom is fed by the wealth of the UAE and assisted by the attractions Sharjah offers to outside capital. At present it is feeding on itself exponentially: the thousands of construction workers themselves demand goods and services, while construction boosts whole industries in such fields as selling concrete, steel, furniture, electrical equipment, household goods and luxuries and in heavier goods such as cables and pipes. Property turns over at a furious rate and immense capital gains are made on the way.

Superficially Sharjah might be thought to be following the competitive pattern in the UAE by which each Emirate tries to rival its neighbours by matching one infrastructural project with another, giving little thought to commercial viability. Sharjah is near to completing the UAE's finest airport only half an hour's drive from another airport at Dubai, bringing to four the total number of international airports in the UAE. It is also building two ports, the first of which has already started operations on a limited scale, at a time when almost every State in the UAE is building new berths.


The Ruler of Sharjah. Sheikh Sultan bin Mohammed al-Qasimi.

With so many people dependent on an inverted pyramid of growth, any serious reverse in the UAE's economic fortunes would not just hit the construction industry hard but shatter much of the business stimulated by it. The whole federation faces this threat, which causes concern among those who manage its monetary affairs. But while the present trend continues there is an undeniable need for more facilities like ports and airports, since all the existing facilities (except for Ras al Khaimah's new airport) are congested.

But Sharjah is seeking a more solid economic base than that. Although its development is planned in the context of the UAE (in so far as that is possible in the absence of any effective federal planning) it is also designed with an eye to the Arabian peninsula in general. The strategy is based on two pillars: a hard-headed belief in untrammelled free enterprise and a concentration on the most economical use of the Emirate's own assets.

Most of Sharjah's infrastructural projects, including the ports and airport, are intended to be profitable, and Western management is operating them from the start. Private business attracted to the State is assisted in establishing itself but will benefit from few of the subsidies, hidden or otherwise, which are provided in many other oil states. Businesses which come to Sharjah will be expected to stand on their own feet and make a substantial contribution to the Emirate's economy.

The Government has concluded that, while the Emirate's assets include its geographical position with two coastlines, its relatively large indigenous population and the UAE's highest proportion of graduates, as well as attractive beaches and scenery, its deficiencies include a relatively low total population and a shortage of skilled labour and middle management. Nor is there a major income from oil. The Emirate has therefore decided to avoid labour-intensive projects and, in the words of the ruler's American economic advisor, "concentrate on doing a few things very well." In a few year's time Sharjah may well be providing the UAE and the whole Arabian peninsula with one of its major freight handling systems, a competitive financial centre, some productive industries and a successful tourist industry.

Alluring

If this happens much of the credit will go to Sheikh Sultan, partly because of the projects which he has initiated himself and partly because of the atmosphere alluring to business created by his welcome to outside capital. As a graduate in engineering from the College of Agriculture at the University of Cairo he is the best educated ruler in the UAE and speaks English, Farsi and Urdu in addition to Arabic.

Sheikh Sultan has long been convinced that the federal experiment is a viable one and has done much to help it. Last year Sharjah was the first Emirate to haul down its flag and adopt instead the federal one. He also handed over Sharjah's militia, police and courts to the federation and reputedly saved himself Dh.50m. a year while getting a substantial reward from Sheikh Zaid for doing so. With the more recent moves towards closer federal unity the Ruler's prestige in the UAE could rise, since he is to chair a committee to analyse and perhaps reduce the federal budget before the rate of individual contributions to it by each Emirate is fixed.

The Ruler is anxious to prevent the spread of the large and inefficient bureaucracy which has been developed by Arab expatriates in Abu Dhabi, since this clashes with his own concept of a lean efficient administration. Any Emir has his own position to protect, and though Sharjah's development is to an extent underwritten by its close relationship with Sheikh Zaid it relies on its oil income to give it a measure of independence. In the context of the UAE Sharjah's oil operation yields such small rewards, because of a revenue-sharing formula with Iran and the difficult working conditions, as to be of very marginal value; but to Sharjah itself it is of great financial and symbolic importance.

In the long run it is likely that the inter-Emirate differences which now loom fairly large will become less significant. Dubai's claim to a strip of land on the edge of Sharjah, which could affect a 4 km. wide corridor out to sea in which an oil-bearing structure is believed to be located, is on the way to being settled but there are other elements of competition between the two Emirates. But it is often forgotten that there is great intermingling of Sharjans and Dubaians in business in both towns, and one Sharjah businessman says that the commercial communities on both sides would prevent their rulers coming to blows. Much of the money flowing into Sharjah comes from Dubai and other Emirates, though the Ruler is careful to make sure that his own subjects benefit first — indeed he finds it difficult to refuse them. If it maintains its present rate of growth Sharjah could be the latest Emirates' success story.

The third largest state in the United Arab Emirates, Sharjah is developing very quickly indeed. The strong commitment to free enterprise by the Ruler is a major factor in attracting business to the Emirate, and both banking and tourism look like joining oil as potential substantial revenue earners.

The economy

A KEY DATE in Sharjah's recent economic history is July 18, 1974 when oil was first produced from the Mubarak Field about 30 miles offshore. Sharjah's production, which was nearly 38,000 barrels per day last year, is expected to average about 37,500 bd this year, but output should go up to about 50,000 bd early in the New Year, and hopes are high of making both offshore and onshore discoveries.

But oil is not the sole foundation of the state's prosperity: its booming economy reflects the economic buoyancy of the UAE, the generosity of its President Sheikh Zaid and the careful approach to development by the Ruler, Sheikh Sultan.

With the town of Sharjah only a few miles from Dubai—the two cities must eventually merge physically—it is natural that outsiders should see Sharjah's development reflecting a strong rivalry with its very successful neighbour, which has built up a trading, financial and industrial centre on the basis of substantial oil revenues and the commercial flair of its Ruler Sheikh Rashid bin Said al Maktum. Dubai stole a march on Sharjah in the 1950s when Sheikh Rashid had its creek dredged, while Sharjah, which had traditionally been the most prosperous place in the area, allowed its own creek to silt up.

Sharjah is naturally trying to make up some of what it lost but though there is inevitably an element of business rivalry between the two rulers Sharjah's development is not specifically designed to compete with Dubai's: like any state Sharjah wants to develop its own resources and almost all the services it aims to provide will be complementary to those of Dubai and the rest of the UAE. With the UAE growing at its present speed there is more than enough business for both of them.

Sharjah does not so far envisage using its hydrocarbon resources: its oil has been presold for several years to come. Instead it wants to make the best of its strategic location with outlets both on the Arabian Gulf and the Gulf of Oman, its beautiful mountain and coastal scenery and its relatively late starting point in large scale development.

Transport

In transport the Emirate has established the first two fully equipped container berths in the Gulf at Port Khalid in Sharjah town, and is at the moment building five general cargo berths, with the possibility of more to come. Deep water container berths are also under construction at Khor Fakkan on the east coast and should be in operation in about two years' time. Khor Fakkan, the only suitable site for a deep water harbour on the east coast of the UAE, has the great advantage of saving ships the need to pass through the congested Straits of Hormuz. Very large containerships will be able to call there on the way to or from the Far East, for example, and discharge containers for forwarding to other ports and destinations not just in the UAE but in the rest of the Arabian peninsula, by air freight, road or in smaller ships. The two ports will be operated by Seatrain, the U.S. container and shipping company.

Reflecting the lack of container facilities and the fast turnround times envisaged Sharjah's rates will be considerably higher than Dubai's. Storage space is limited at this stage so a fast throughout is essential. With nearly 200 ships waiting to enter Dubai's Port Rashid, the largest man-made harbour in the Middle East, extra port facilities cannot be unwelcome.

The two ports will form part of an integrated transport and freight handling system in combination with the new airport, and will be marketed under the name of Sharjahport with a symbol of three seagulls, designed by the Ruler. The airport, which opens on January 1 but with the main terminal buildings coming on stream later, will be the best equipped in the UAE to date and will adjoin a large trading and industrial area, close to the main road between the two coasts of the UAE. It can handle freight which arrives at one of Sharjah's ports by sea destined for other parts of the Arab world; goods arriving by air and continuing by road; or goods coming by air direct to the UAE market.

With Dubai's existing airport only about half an hour away by road the new Sharjah facility, which will be managed by the company which operates Frankfurt airport, can hardly expect at this stage to attract many of the passenger carriers using Dubai. But Dubai's airport, whose construction was widely considered folly when it was ordered less than ten years ago, is rapidly running out of capacity and the economic growth of the region can be expected to provide enough traffic for two airports or more in years to come. Dubai's decision to build a new airport at Jebel Ali, 40 km in the opposite direction to Sharjah, could mean that its existing airport will concentrate on freight.

A prominent Sharjah landmark is the sign at one end of the main street saying: "Smile you are in Sharjah." The Ruler, who erected it some years ago, takes it very seriously and regards it as symbolising the openness and friendliness of Sharjah, considered a major selling point for the Emirate. Sharjah is attracting business very fast, including banks, company headquarters and industry. Oil industry services and plastic pipe-making are among Sharjah's existing industries, while several companies have set up their headquarters in Sharjah for the region or the UAE.

Among Sharjah's attractions are relatively easy availability of land, no taxes and less red tape than elsewhere. Businessmen interested in establishing themselves in Sharjah can approach the Ruler directly through his advisors and if the project seems to make sense, may be able to get under way in a relatively short time. Almost everyone doing business in Sharjah stress the easy accessibility of the Ruler to help iron out difficulties.

Finance

The Emirate is trying to draw more banks to Sharjah and already its share of the UAE's banking business has increased. The aim is to group all the banks in a specially designed financial centre. It is also hoped to establish a stock exchange and the Ruler is trying to encourage companies to sell shares to the public. But at present there are several obstacles in the way of a successful stock exchange.

One factor drawing business to the Emirate is the feeling that Sharjah has the potential to be a very pleasant place. At present it is a very extensive building site but it already has a fine shoreline. Because it is starting later than most Gulf towns it has the chance to plan carefully and the Ruler, who has a special flair for design, has lovingly drawn up a plan of something approaching a model city with the advice of Halcrows Middle East, the civil engineering consultants. In the plan appropriate parts of the town have been allotted for hotels (on the beach or lagoons), industry (away from the more pleasant areas), the financial centre, etc. To some Western eyes the plan envisages too much destruction of the relatively few old buildings Sharjah possesses, although many of the replacements will be designed in Islamic styles.

When in about two years time the greenery has had a chance to grow Sharjah should be able to attract not just businessmen but tourists into the hundreds of hotel beds now being built. Each hotel will have its own beach, which is not usually the case in the Gulf, and, meanwhile, Lufthansa is drawing up a plan for tourist development involving the mountain and east coast areas, where hotels and holiday villages are already projected. The mountains provide a better climate than the coast which is very humid in summer.

Tourism

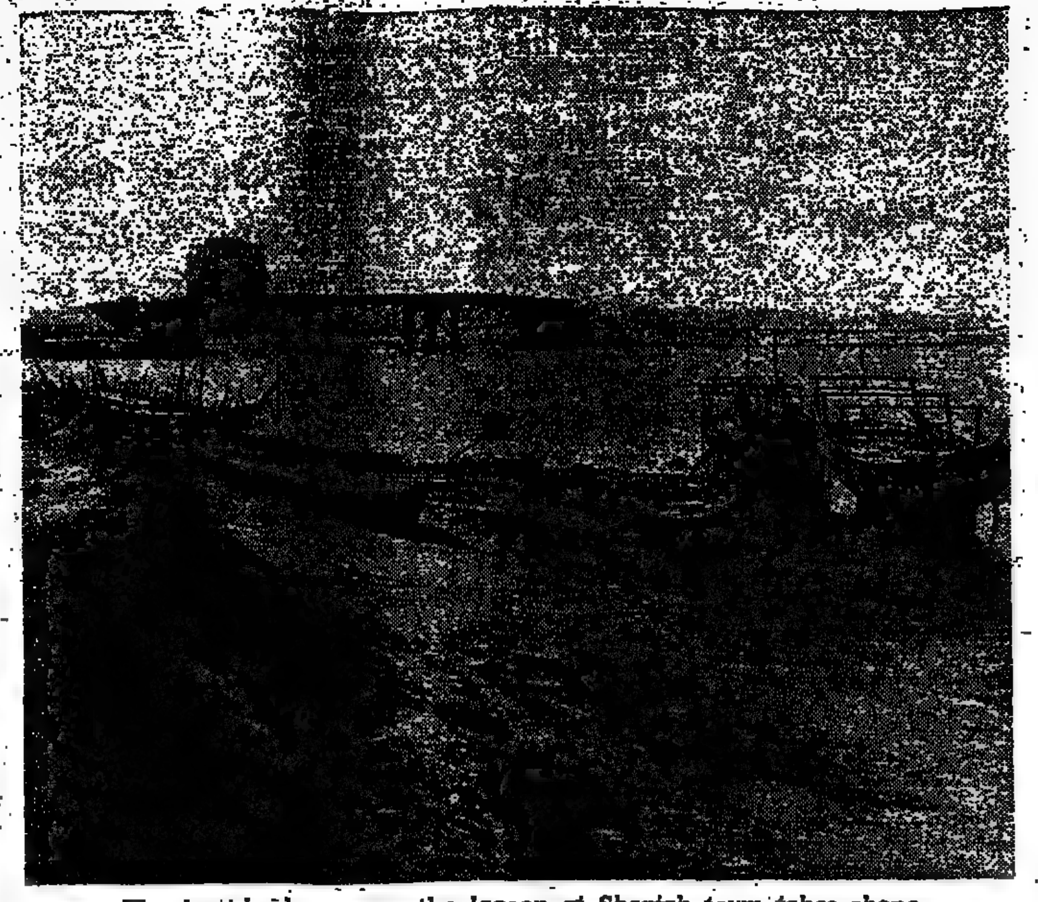
But tourism hardly exists in the Gulf so far and the very high cost of living must make it questionable how many Europeans will wish to come to the UAE, despite its glimpses of *Arabia*. A more promising tourist market may be expatriates living in other countries on the Gulf which do not have the amenities, such as scenery and access to alcohol, which Sharjah hopes to offer.

With so much development in hand and at different stages of progress it is difficult to reach even an approximate figure for the government's spending, which is effectively the Ruler's private spending. The oil revenue is split with Iran and Umm al Qaiwain through an agreed formula and Sharjah gets only 35 per cent. of it, which this year is expected to amount to more than \$36m. Annual Government development spending is certainly well in excess of this figure, but it should be noted that Sharjah appears to be spending only about 50 per cent. more on development than Ras al Khaimah which so far has not found oil in commercial quantities. The Government has some income from property and its recurrent expenditure is reduced because the Federal government pays for education, police, some roads and other services.

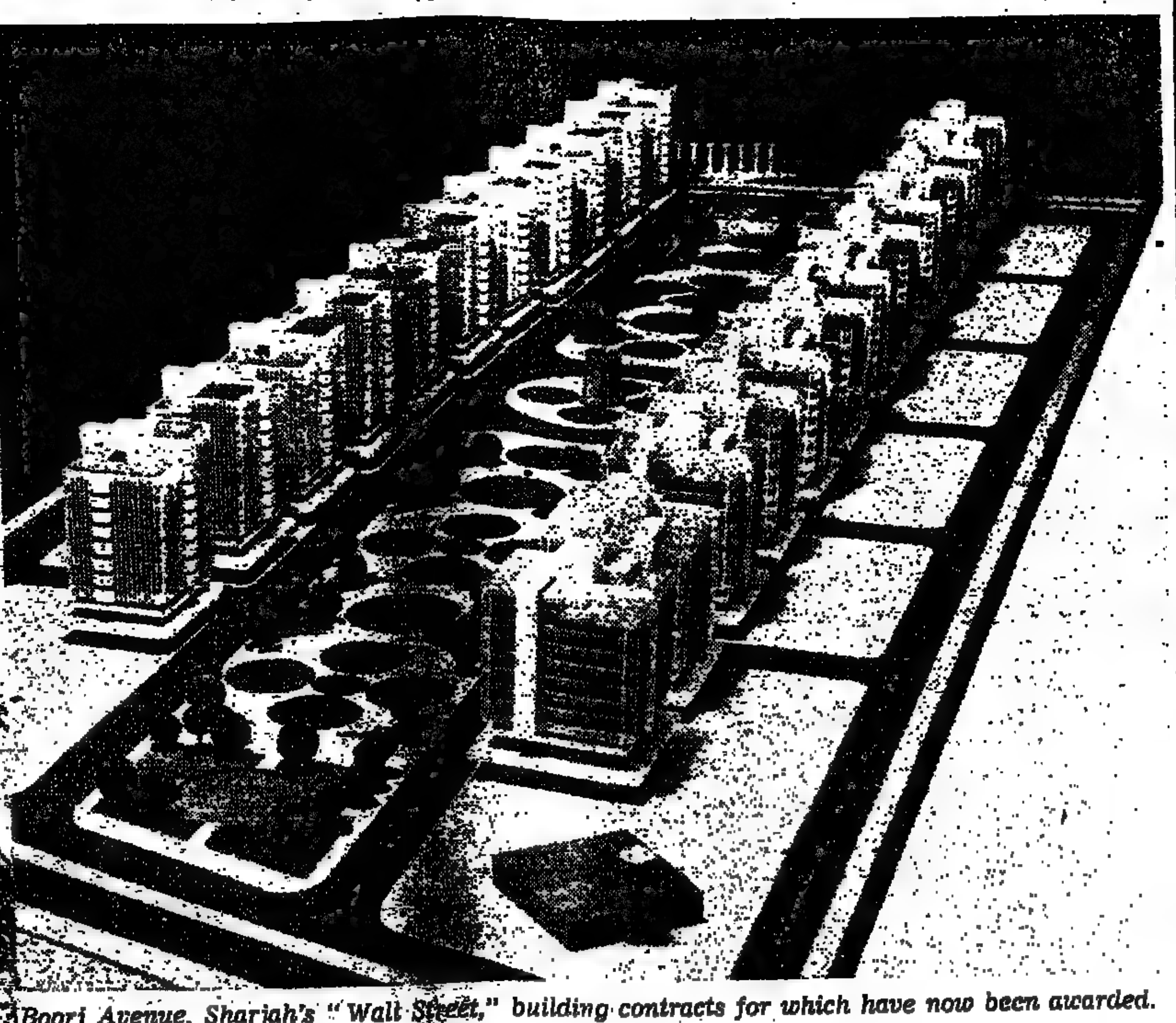
Because of its oil revenue, its stability and position in the UAE, and because many of the projects it is embarking on will be revenue producing, the Emirate has been able to borrow widely. It borrows from many of the banks which have established themselves in Sharjah. It has raised two loans on the Eurodollar market, both in 1974: one was a \$50m. general purpose loan arranged by Anthony Gibbs; the other a \$36m. facility arranged by Citicorp for the first stage of the Port Khalid development.

The Emirate can borrow from the UAE Currency Board, the nascent central bank of the federation, and the local banks it borrows from can be refinanced by the Currency Board. Almost all Rulers at different times receive presents from Sheikh Zaid and it would be reasonable to suppose that Sheikh Sultan's positive attitude to federalism has been specially rewarded. The two men have a common interest in agriculture and the President of the UAE takes a close interest in many of the development projects going on in Sharjah. This relationship is an important factor influencing the view international bankers take of Sharjah. The Emirate admits that payment has sometimes been slow in Sharjah, particularly to labourers, but this, it says, is entirely due to administrative weaknesses, not to cash crises.

James Buxton



The new bridge across the lagoon at Sharjah town takes shape.



Boorj Avenue, Sharjah's "Wall Street," building contracts for which have now been awarded.

Following the lead given by its neighbours Abu Dhabi and Dubai, Sharjah has set about developing its banking system. Its "open door" policy on foreign investment makes it an attractive centre, and already there is an encouraging flow of applications.

Banking

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ty: one local manager saying that his turnover had increased ten times in the last year, and a British manager spoke of lendings increasing by 500 per cent. in one year. Naturally, such statistics have created enormous interest from the banking communities represented in the other main cities of the UAE, and the UAE Currency Board has approved 79 applications from banks for operations in Sharjah. Of these, 38 branches are operating at the time of writing and 41 have still to open their doors. Given that the population is about 100,000 people, competition could become fierce to say the least, and some of the late arrivals may have to be content with a mere retail presence. Often the amount of business a bank does has very little relation to its international resources, reputation or ties, but depends more on the personality and initiative of the manager himself.

With boom conditions prevailing in the Emirate, land speculation is rife. For example a building on the seafront in the main part of the town was built for Dh.5m., sold for Dh.8m. and now has a market value of Dh.14m. all in one year. With so much money to be made at home, local merchants are ploughing their resources, with the help of the banks, into development projects, and at the moment very little overseas business is transacted in Sharjah. Commercial banking, letters of credit and trade finance will undoubtedly increase as Sharjah's ports move into top gear.

Absorbed

As a result of Sharjah's very active development programme, the public sector absorbed nearly 42 per cent. of all bank credit in the Emirate in 1975, and accounted for Dh.74m. of the deposits in September, 1975. By March 1976, total credit extended to residents, excluding loans to banks, Dh.735m., compared with Dh.7.29bn. for the whole of the UAE. Thus Sharjah made up just over 10 per cent. of the total. Last September Sharjah's share, at Dh.473m., made up 8 per cent. of the UAE total, which was Dh.5.4bn. Although figures for Sharjah's banking system before that date are not available, it is clear that in the last year, while total banking business in the UAE has increased at a tremendous rate, Sharjah's own business has increased even faster. In March, 1976, total deposits in the Sharjah banks amounted to Dh.728m., which represents just 5 per cent. of the UAE totals of Dh.13.8bn.. Only four months earlier, in December, Sharjah's share was only 2.3 per cent.

In the next two years, local banks will grow very fast. The entry of new foreign banks is restricted by a two-year moratorium imposed by the Currency Board, and new branches of banks already represented in the UAE can only be established if the banks are not already represented in the Emirate. Local banking will thus receive a fillip throughout the UAE.

In the past year the Emirate of Sharjah has established a National Bank of Sharjah with a capital of Dh.15m., put up not only by UAE nationals but by Hambros Bank, Credit Suisse and the Mitsui Bank. Shortly after its establishment, it issued a syndicated loan of Dh.40m. for the financing of the Holiday Inn, with nine banks participating. Indeed, local banks are frequently involved in the financing of local projects, and the National Bank of Abu Dhabi, for example, is currently involved financially in two hotels and eight buildings around town, worth a total of Dh.60m.

As a demonstration of Sharjah's ambitions in the banking field, the Emirate plans to build a 24-block financial centre called Boorj Avenue. The Ruler has apportioned plots of land along the site of the boulevard to various members of the ruling family, and at the moment it is intended that the construction of the blocks be financed by the banks which take the ground floor and office space on the first floor. Each building is to be 11 storeys high, with the rest of the space given to shops and restaurants, apartments, and a penthouse on the top floor of each building.

The "Wall Street" of Sharjah, as it has already been dubbed, is to consist in the first stage of 12 blocks of two different types. The contracts for the construction have already been awarded on a fixed price basis, the larger size block costing Dh.10.67m. and the smaller Dh.9.3m. Of the 24 buildings lining the street, six have been awarded to Gulf General Projects, six to Eastern contracting company, three to Shattaf Construction, three to GIBCA-ACC and three to Conforce Gulf, so the major involvement for the work comes from prominent local companies. Consulting engineers for the whole project are TYPSA, a Madrid firm.

According to Government sources 12 banks have been designated as tenants and financiers of Boorj Avenue blocks, though few have put it in writing yet. The other main facility in the finance field planned by Sharjah is a twin tower 18 storeys high to be built on the Corniche. This building will house the offices of the Currency Board, the stock and commodity exchanges and the two stockbrokers that have decided to come to Sharjah—the Canadian company Wood Gundy, and Hedderwick (Middle East). The construction contract of this prestigious building is shortly to be awarded, and consultants for the project are Interconsult, an Egyptian firm.

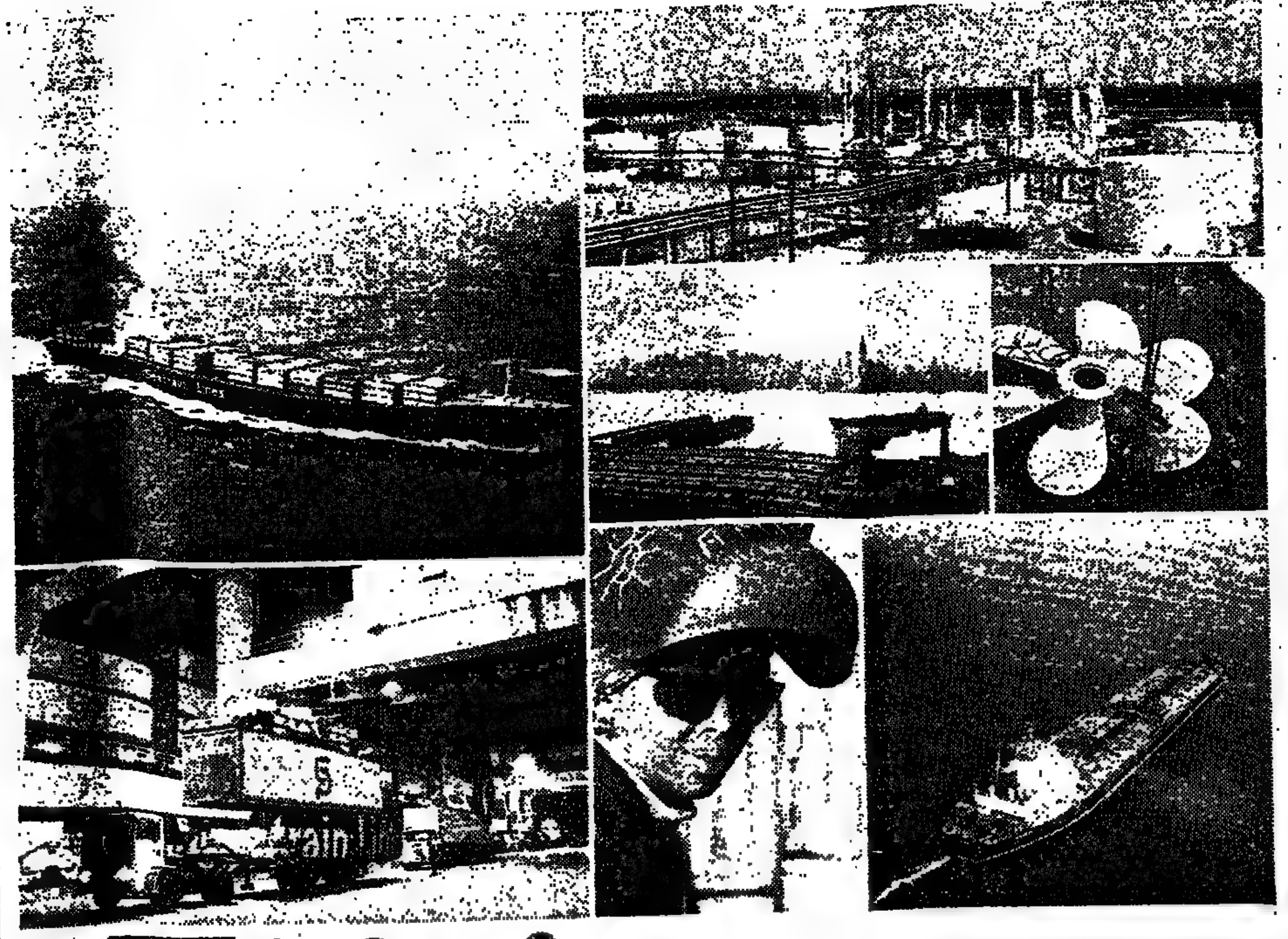
Infancy

Stock exchanges in the UAE are in their infancy. Many of the concepts involved are totally unfamiliar to Arabs in the UAE, and when money can so easily be made in property speculation or real estate development there is very little incentive to buy shares. When borrowing from the banks is so easy and cheap for most businessmen, there is little need to raise money on stock exchanges. The stock exchange in Dubai witnesses almost no trading because no one ever sells a share.

The Sharjah Government hopes to stimulate dealing in stocks and shares in part by making many more shares available. Companies will be expected to sell part of their stock to the public, and Government projects will do the same, in order to encourage wider share ownership and distribute wealth. With the return on local investments running so high the existing stockbrokers might find the expatriate market a promising place to sell shares, since overseas investments cannot match the gains being made locally.

For the moment, business lies with the gentlemen who sit with studied idleness outside the British Bank of the Middle East on a special bench provided by the bank. They are the land brokers who swing their worry beads and conduct their dealings in the time-honoured way of the Arab world.

Kathleen Bishtawi



Sharjah's new airport, only 15 minutes drive from Sharjah town, comes into operation at the beginning of next year. Its operations will be coordinated with those of the Emirate's new ports in an effort to relieve the congestion that is affecting freight shipments to the area.

International airport

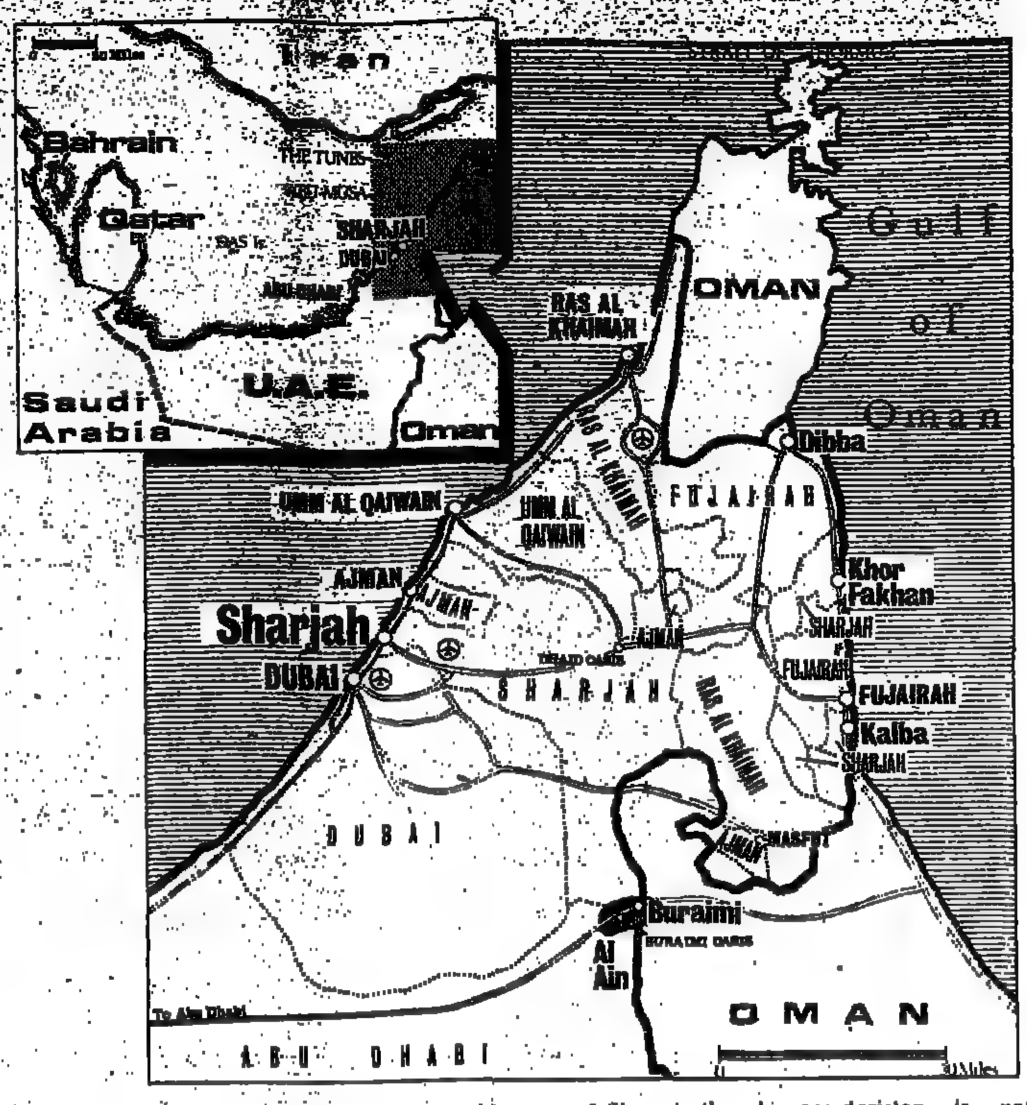
THE RULER of Sharjah, Seikh Sultan bin Mohammed al-Qasimi, is not known for building prestige projects: with Sharjah's relatively small oil income, the viability of every project is examined closely, and often the question asked is not so much whether it will benefit Sharjah, but whether it will pay for itself.

Nevertheless the decision to build a new international airport in Sharjah was met with some scepticism, but throughout its brief five year history, the UAE has constantly proved the cynics wrong. Three international airports are now being built, although the UAE already has the most modern airport terminals in the region. Dubai is thought to be planning to extend its present airport and later turn it into a cargo terminal when its Dh.1.5bn. airport is completed at Jebel Ali, the site of its new industrial area 40 km. away from the city. Abu Dhabi is building a splendid new complex with the help of the designers of the Charles de Gaulle airport in Paris, at a cost of about Dh.1bn.

Sharjah's new airport, located just 30 minutes drive from Dubai (and 15 from Sharjah), might appear hard pressed to find customers and traffic. Yet although they have been in existence only a short time, the UAE's airports are rapidly becoming clogged up with cargo, particularly since the worsening of port congestion, and are close to capacity with passengers.

With other Gulf ports and airports facing freight congestion problems, Sharjah airport is looking for a regional role, when it comes into operation on January 1, 1977, and its operations will be co-ordinated with the two new ports. Pressure to build a new airport mounted as Sharjah's old one, with its small runway and humble terminal buildings, became unable to handle the airliners of to-day. Built in 1932, it is now located on prime development land right in the middle of the city itself. The new facility is 17 kilometres out of town on a direct road to Dhaid and the east coast, in one of Sharjah's designated industrial areas.

With so many nearby airports, Sharjah airport is stressing the same advantages as those of its ports—efficiency and speedy transit. The airport's management contract went against competition by six airlines and airport authorities, to Flughafen Frankfurt A.G., operators of Frankfurt airport. The new airport is an integral part of the transport system that the Emirate is offering. The two ports and the international airport will be jointly marketed under the name Sharjahport, and a management committee has been formed to ensure maximum co-ordination on transhipment of cargo from air to sea and vice versa. Located in the centre of the Emirate, the new airport will offer shippers speedy transhipment of cargo not only to the rest of the UAE, but to the rest of the Arabian peninsula. The airport authority estimates at present that 35 per cent. of the traffic will be arriving by sea for onward carriage by air; 25 per cent. will arrive by air and then continue by road to the other nearby Arab states; and 40 per cent. will be direct air-freight to the UAE.



Contractor

Sharjah's new airport is the only Category II airport in the country, and by the time it is fully operational, construction cost may amount to as much as $50m. Khansaheb, a prominent local contractor, has been responsible for the associated buildings, Belgium's Six Construct for the main terminal block and Tarmac for the runways. The airport will be able to handle the largest aircraft in use and six could be loaded and unloaded simultaneously. The British company International Aeradio has been awarded the contract for ground handling and airport flight operations.

When the new terminal is opened in January, cargo space available will be only half that envisaged for the final stages of development; when completed, Sharjah airport will be half the size of Frankfurt airport.

The cargo space available will be 12,000 square feet, and the final phase calls for an additional area of 350 metres by 450 metres, a container distribution terminal 550 metres by 350 metres and a technical services and maintenance area. It will be the first fully containerised airport handling facility in the Middle East.

Sharjah will allow airlines to handle their own cargo, rather than have it handled by the airport authority, a particular advantage in view of the specialised nature of the industrial area the airport is situated in. Consolidated cargoes and split charters will be welcomed. Like the ports, Sharjah's airport will be run on the philosophy of a rapid throughput. Tariffs are as yet undecided, and although one week's free storage will be given, the management does not want cargo hanging around. "We are going to assume that air freight is for urgent shipments," said a spokesman.

In addition to the cargo and passenger facilities that will open in January, there is space allocated for a flying school at the airport, an area for small executive jets, which are a growing business in the UAE, and an area for the military, which is to be located away from the main passenger and cargo areas. A new highway and flyover are under construction to provide rapid access to the Sharjah East coast road, and on the other side of the highway, a new industrial free zone is to be established. The whole area is still the subject of negotiation, but it will be leased to a major American corporation. The zone is earmarked as a business centre, a showroom area and for light manufacturing industries and oil-related services. There are also plans for a major international hotel to be built outside the main complex. The industrial zone is approximately 2,500 metres by 700 metres. Already the new airport has stimulated interest from local businesses, and nearby a poultry farm is under construction: young chicks will be brought in by air freight and frozen broilers exported.

The first airlines to use the new facility will be those which have been using the old airport and which will tranfer to the new terminal in January. They include Gulf Air, which is considering increasing its services above its present five flights a week, Air Ceylon, which may increase its weekly flight to two a week, and Yemen Air, which may go from two to three flights a week. Air Intergulf, a small feeder carrier to the Gulf States, has submitted a schedule of four flights a week to Bahrain, Doha, Abu Dhabi, Ras al Khaimah and Muscat. Overseas National Airways, an American carrier, is looking at Sharjah for its huge containerised cargo shipments from Rotterdam, and Lufthansa is reputedly thinking of Sharjah as a stop on its Far East route. International Air Services, the British cargo carrier based at Gatwick, which has until now operated CL 44s into the old Sharjah airport, will be moving and is currently considering shifting its DC8 jets which are presently flying into Dubai, to the new airport. IAS will be running a weekly service into Sharjah, using it as a local transit point.

But many of the big names in the airline business have so far not committed themselves about Sharjah. Many consider Dubai, the point most of them operate through, to be the bigger business centre, and are so far reluctant to divide or move away their operations. TMA, the Lebanese cargo carrier which is handling most of the freight at Dubai airport (about 400 tons a day in and out) is indebted to Dubai for the welcome it received when looking for a new base when Beirut collapsed, but nevertheless, the cargo facilities and individual terminals at Sharjah are alluring.

One possible user of Sharjah is Pan American, which currently has no Middle East stopping point other than Tehran. Its Arab base dissolved when the war erupted in Beirut, and thus the company is on the look-out for a possible Gulf stop. One of the projects under study at the moment is an "oil-to-oil" flight from Houston / Frankfurt / Sharjah, though a decision is not expected for at least another month.

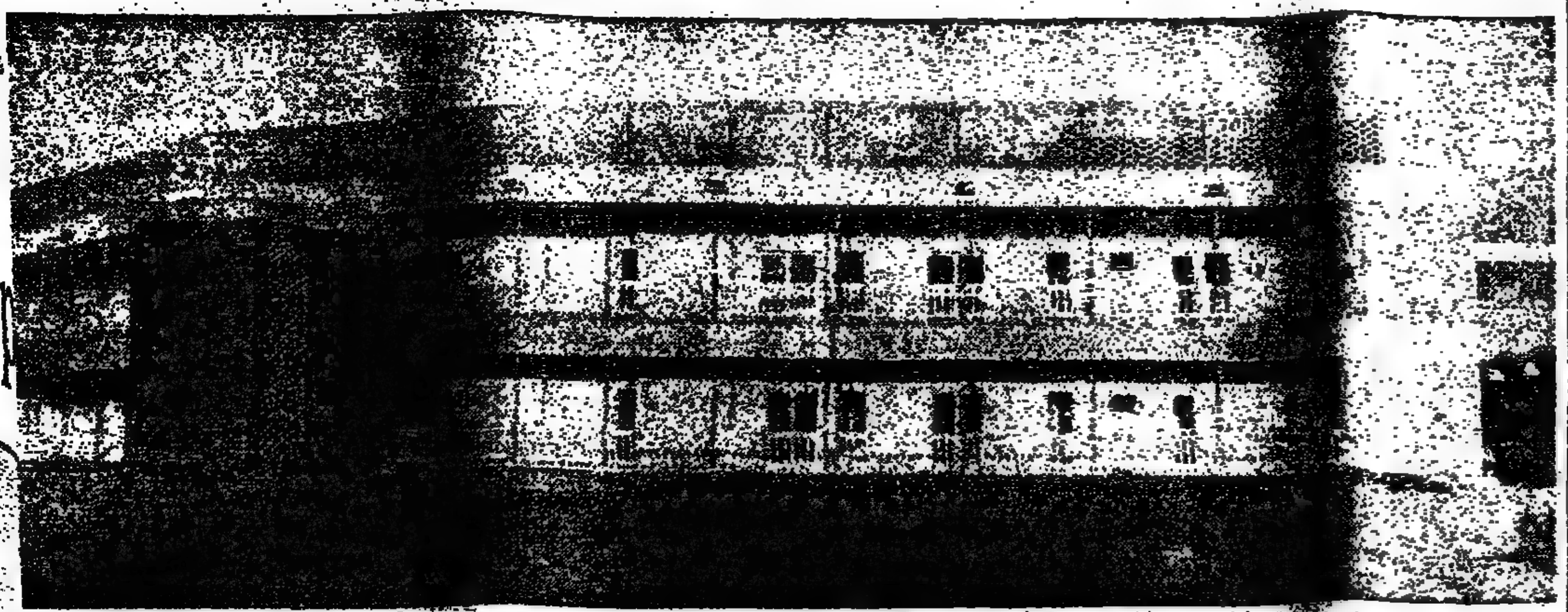
Like the two ports in Sharjah, the new airport is going to sell solely on its service and its facilities. As one Government man remarked, "All Sharjah has is its central location and a different outlook."

K.B.

Sheikh Sultan Khalid Al Qasimi, Sharjah's Director of Aviation.

هكذا من الأصل

SHARJAH V



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boats, are sited on the lagoons and beaches.

The lagoons are to be dredged to create small islands and on one of them, the Jezeira, a childrens' recreation centre is to be built. It will consist of an aquarium, children's park, marina and Japanese gardens. The island is currently being studied by a number of companies, and throughout the design great emphasis will be placed on reflecting the Arab heritage. The idea is to create an area where residents can walk from the financial district of Boorj Avenue through areas of cafes, restaurants, and souks to the beach hotels.

One of the more exciting restaurant designs is being produced by Samifi Babcock, of Milan, who are proposing a building entirely in the shape of a huge seashell. Located nearby is the souk, a market of 604 stores which is being designed by architects White Young and Partners, of London in a beautiful Islamic design. A general market housing 200 foodshops and stalls is to be built in the same area.

On the other side of the lagoon a project to build a huge residential complex consisting of 20 V-shaped towers is being studied. Along the other end of the beach, an expatriates' beach club is being planned.

Sharjah is also planning a number of community centres. One cultural centre is to be located in one of the green belt regions and will contain a theatre and library: there are to be two clubs and marinas on the beach, and a new stadium is nearing completion. Added to that, Sharjah is planning two bowling alleys and a health spa, and an English style pub is being built at the moment. The field of restaurants, cinemas and other recreation centres has seen heavy Lebanese investment in recent months.

One of the greatest concerns of any foreign businessman in the Emirates is where to educate his children, for in the past a posting in the UAE has meant long separations from them while they continue their education at boarding schools back home. Such is the pressure on school places in Dubai, for example, that several schools are asking local companies to take out expensive debentures and become financially involved to ensure acceptance of their children.

Sharjah is making great efforts in the direction of education, and in particular in catering for the needs of its cosmopolitan population. First to move into the area was the University of Maryland, which is offering evening classes in various subjects which can be credited on the American system.

Courses are now available in Arabic, which has proved the most popular language, and in commerce and business management, as well as marketing, finance and personnel which have attracted large numbers and there are hopes that these part-time courses will become full-time as new teachers begin arriving. The University of Maryland's overseas division in Sharjah has attracted 26 different nationalities as students.

The school with the most ambitious plans is the National College of Choueifat, a Lebanese school which came to Sharjah following the temporary closure of the school in Lebanon. The Choueifat school is international and its standards and examinations are accepted by all British universities and by the major American colleges. Children are taken from the age of three-and-a-half up to 18 years and though tuition is in the English language, there are also courses for children with other mother tongues.

Programme

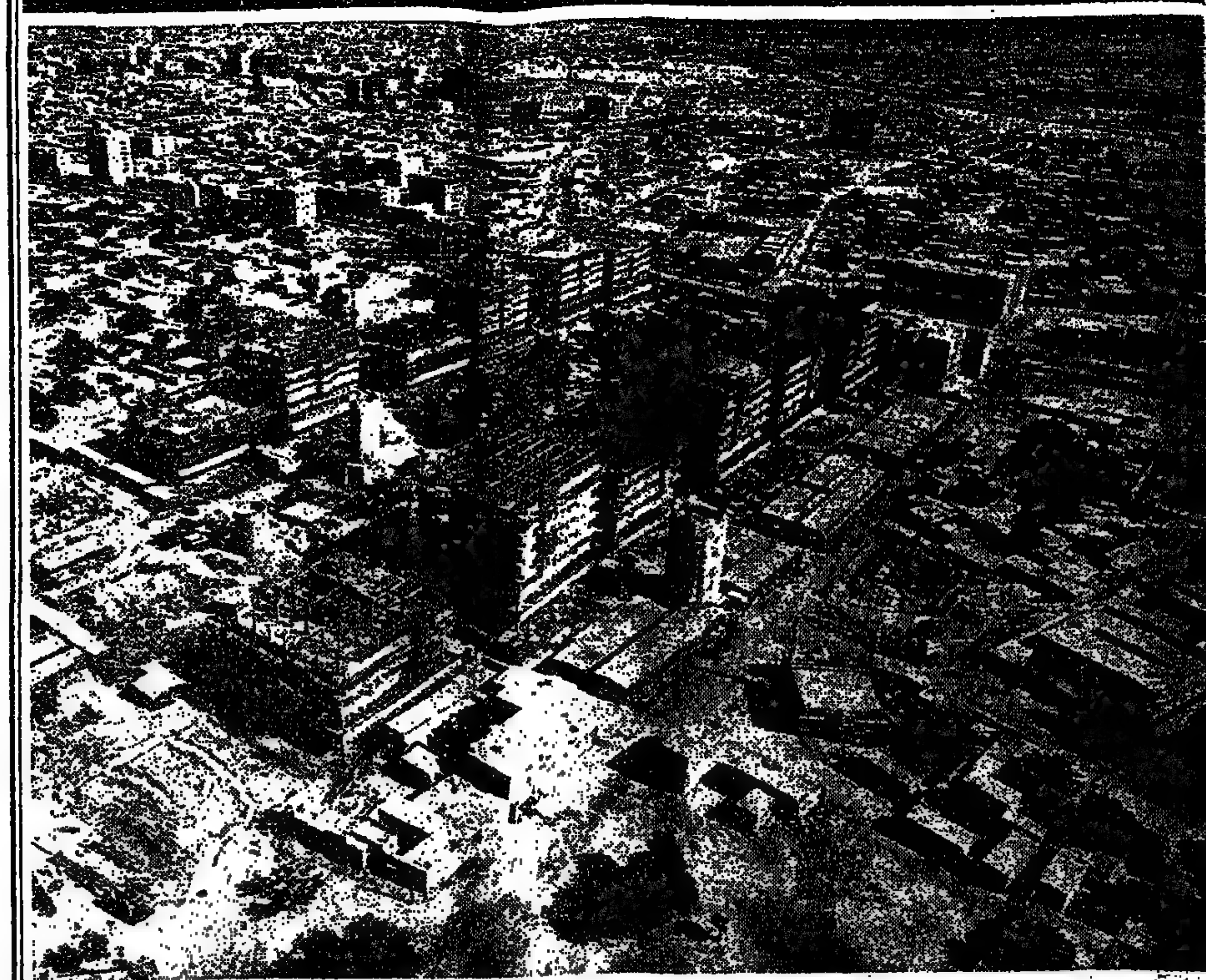
So far the school has taken children of 35 different nationalities and to-day it is the most sought after school in the area. There are currently 600 students there, with a waiting list of 200 more, and so the school has embarked on a Dh.100 development programme which would create a school with capacity for 3,500 children. Covering 4m. square feet of land, the new campus will also accept 500 boarding children. More teachers are to be brought in to add to the present number of 54, most of whom are British.

Besides the Choueifat College, a German school is currently under construction by German Gulf Enterprises, and the French community is embarking on a new kindergarten school with plans to take older children in the future. Also under construction at the moment is a Montessori school. All of these educational developments are now servicing the needs not only of the foreign community of Sharjah but also of the other northern Emirates. Among the federal eshools is a trade college for technicians.

What is so noticeable about Sharjah even to the visitor is the attempt at beautifying even the high rise streets. While other Emirates are cutting down their palm trees to make way for developments, Sharjah is busily planting them along the boulevards and parks. The environment is growing more attractive daily despite the construction everywhere, and is bringing in investment.

K.B.

SHARJAH VI



An aerial view of new developments in Sharjah town centre.

There is a warm welcome for industry in Sharjah, and many foreign firms are already represented in the Emirate's industrial estates. Problems of services and accommodation can often be solved relatively quickly, although there is growing anxiety that the booming construction sector is absorbing more than its fair share of labour.

Industry

SHARJAH GOES out of its way to attract business to the Emirate. As in the rest of the UAE, there are no taxes and the currency is strong, but Sharjah makes a special effort to help industries and company headquarters set up in the Emirate without too much difficulty. Businessmen seeking information can approach the Government direct and discuss their projects with an Emirate official under a free counselling service.

Although businessmen are usually advised to go into partnership with a local Arab this is not obligatory and companies wishing to set up headquarters rather than production plants in the Emirate do not usually consider it necessary. Businesses which decide to take a partner—and almost all manufacturing businesses do—can get the assistance of Emirate officials in finding a suitable local Arab. Once a partner has been found and an agreement made the process of establishing premises, obtaining Post Office Box numbers and having telephones and telexes installed can get under way.

The Ruler takes a personal interest in many projects and is often prepared to give his time at short notice to businessmen who have problems. The Emirate may also be able to help businessmen by leasing them land on which to build plants, often at low rentals but with the possibility in some cases of the land reverting to the Government after 15 or 20 years. Any Arab can own land in Sharjah, whereas in other Emirates ownership is usually confined to Gulf Arabs.

This positive approach is principally aimed at bringing to Sharjah companies which will establish industries which can expect a lengthy future in the region, such as consumer goods manufacturing and warehousing; so far, though, most of the companies now in Sharjah are closely related to or directly involved in the construction industry, whose life on its present scale may be relatively short, although more food processing plants are to move in shortly.

Mr. Abdul Rahman Bukhatir is one of Sharjah's most prominent businessmen. His very wide range of interests include the manufacture of products for use in construction and the ownership of hotels.

Labour is not cheap in the UAE and much labour in Sharjah is provided by Iranians, Pakistanis and Indians. With only a small indigenous population the Emirate prefers to attract capital-intensive and "brain-intensive" industries.

The Emirate has already attracted many industrial plants to the industrial estates it is creating in the town and near the airport. There is a plastic pipe factory, several paint factories, a perfume bottling factory, an oil services company (the French concern ETPM), several steel product companies and ready-mixed concrete producers. Among British companies represented in Sharjah are BICC, Wellcome Foundation, Bristow Helicopters and British Reinforced Concrete. Companies which have set up headquarters in Sharjah include Tarmac, 3M, Honeywell, Bechtel, Westinghouse and Armco Steel.

Commitment

To make sure that companies are keen to stay in Sharjah and train local personnel, companies establishing new industries are often expected to put up a substantial part of the capital themselves and thereby indicate a firm commitment to the project. In a typical financial package envisaged by the Sharjah Government a foreign company might be expected to raise about 33 per cent. of the capital for a project itself. Another third would be raised by local Arabs, and the last third borrowed in a commercial loan guaranteed by the Government, which would be conditional on the company offering shares to the public in due course. At that stage the Government might want to take a small percentage of the equity itself.

Among some members of the Arab business community in Sharjah there is some anxiety that the construction boom is absorbing labour which ought to be available to industry and that property investment is taking too much local capital. Local businessmen can prove reluctant to invest in industrial projects when the rewards of investing in property seem far greater, and the property market is often easier to understand than complex industrial projects.

Necessary

It is partly because of this that the Government has established the National Industries Company under a British general manager to establish industries which are considered necessary and viable but which may be beyond the reach of local capitalists. A 700-ton-per-day cement plant is shortly to come on stream having been constructed at a cost of $21m. by Six Construct. It will be managed by Apcem, a subsidiary of Associated Portland Cement, and with it a factory for making paper sacks for the cement. The company's third project is a factory making polypropylene ropes for the construction and fishing industries.

The money for these plants has been raised by banks guaranteed by the Government. Having established these and other projects the Government intends that the company should sell off shares in the individual projects to the public.

Another Government project is a 250-ton per day fishmeal plant to be erected at Khor Kalba on the East coast. It has not yet been decided how the project, which was originally to have been located on the West coast, will operate, and whether it will rely on fish caught far out in the Indian Ocean or caught more locally, since little is known about the quantity of fish in the region. What is known is that the area is underfished. The project will probably commence on an experimental basis with two chartered trawlers but the intention is to train local fishermen using their own boats, and ultimately to sell shares in the company to the fishermen themselves.

Apart from this, relatively little is being done to develop the natural resources of the State for food production. Agricultural output in the mountain and oasis areas could be increased but only, the Government believes, at high cost in raising underground water, and rather than subsidise agricultural operations in the area the Government prefers at this stage to keep the water for eventual use in the urban areas.

Expatriate businessmen who have successfully set up in Sharjah say that it can be done relatively quickly, and certainly quicker than in many other Arab business centres. But they point out that obtaining the necessary licences and conforming with regulations over premises can in particular circumstances take several months. It is not always easy to find a suitable partner quickly and it is wise to consult banks and other organisations with local knowledge on this subject.

The problems of obtaining services and accommodation fast may indeed be solved quickly, especially with the intervention of senior officials, but despite the aim of services to expand ahead of demand (4 kilometres of telephone cable are laid each day) it is almost inevitable in a rapidly growing place that difficulties should occur from time to time. Businessmen can wait in hotels for months on end before moving into flats or villas, and their offices, if they have them, may have to struggle along without PO Box numbers and telephones for some time.

But all businessmen consulted said that it was possible to obtain services very quickly by approaching senior officials who realised the need for industries to establish themselves fast. And all agreed that the Ruler is exceptionally approachable and is prepared to take an interest in quite minor problems.

J.B.

In the oil-rich Middle East, Sharjah, with only one producing field, languishes at the bottom of the region's oil production table. But there are hopes of finding further commercial deposits, and exploration continues to that end.

Seeking more oil

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for Sharjah's the Gulf was ent Petroleum, relinquished a der the terms of its agreement with the Ruler. Crescent is a consortium in which the operating company and largest single shareholder is Butties Gas and Oil (of the U.S.) which has a 25.7 per cent. stake. The other shareholders are Ashland Oil (25 per cent.), Kerr McGee (12.5), Cities Service (10) and Juniper Petroleum (1.8).

The Mubarak field came into production remarkably quickly in July, 1974, and output, which it was estimated would go up to an average of 80.000 bd initially reached an average of about 50,000 bd. But the structure lies between 13.000 and 14,000 ft. below the seabed, where there is a water depth of 200 feet, and is so far the deepest oil-producing reservoir in the Gulf.

Because of very high well pressure combined with plastic structures in the geological formations all Crescent's wells have at times caused problems usually involving the sheering of the well casings. One well, which developed problems last year, has had to be abandoned altogether.

This year monthly production averages have ranged, according to the Middle East Economic Survey, between 29,000 bd (in February) and 50,000 bd (in March), with the average for the first six months of the year at 39.000 bd. about 1,000 bd less than the corresponding period of last year. Crescent says that production in November was 34,000 bd, but a fourth well, due for completion in November, should produce an extra 15,000 bd.

The rig which drilled it will then be able to tend to an existing well which is suffering mechanical problems and is now producing only about 5,500 bd; it will have to be shut in while work takes place. Crescent expects to be producing about 42.000 bd while the work is going on, and when it has finished, early next year, the four wells should be producing about 50.000 bd.

Because of the very tough operating conditions the cost of production is estimated at around $2.50 to $3 per barrel, compared with, for example, $1 per barrel on the Abu Dhabi Marine Areas concessions. But the oil is of very high quality with only 0.6 per cent. sulphur content, which can command a high premium; and Crescent says its operation is profitable. The oil is sold direct to the shareholders in the consortium and is stored in a moored tanker which has a capacity of 650,000 barrels.

Swap

Almost all the oil goes to the U.S. but in the past some has gone to Japan under swap arrangements between companies. No oil is used in the Emirate and the quantities of associated gas are too small to be worth exploiting.

Nominally Sharjah comes under the UAE's membership of OPEC but like Dubai it has little official contact with the federal Ministry of Petroleum, and the Ruler makes his agreements with the oil companies independently. The Emirate's oil administration consists of only six people. With the Emirate anxious to encourage exploration and production in areas which are often difficult, there is no question of participation agreements.

Crescent is concentrating on developing its existing field and exploration elsewhere is not contemplated for the present. Other oil-bearing structures are thought to exist inside the company's concession area, and one may be in the 4 km. wide corridor whose ownership Dubai has claimed. But the Emirate believes that no future offshore discoveries will be subject to the kind of revenue sharing agreements in force on the Mubarak field and should therefore be of considerably greater financial benefit to the Government.

In the area relinquished by Crescent the new concessionaire, Houston Oil and Minerals, has made seismic studies and is expected to start drilling early next year.

Meanwhile, onshore, Nicklus Oil and Gas, also from Houston, has done seismic work on an area known as Sharjah West, brought in drilling equipment which can drill to 25,000 feet and is expected to start operating shortly. Earlier this year the previous concessionaire, Crystal Sharjah, gave up its concession in face of high drilling costs, after attempting to get production from an old well drilled by a previous operator. Exploration is difficult in the area near the mountains but there have been oil shows in this region in the past. So far, however, Abu Dhabi is the only onshore producer in the UAE.

The fourth company operating in Sharjah is Reserve Oil and Gas, which holds the concession for the whole east ocast of the UAE, divided between Fujairah and Sharjah. The seismic work has been done and the company is expected to start drilling next year.

J.B.

Mini-city project

s de Gaulle centre in Sharjah is one of the rojects in the Gulf region. In its final form be a mini-city where 15,000 people will live self-contained community with all its needs he complex. It will have five high-rise blocks it from nine to 40 storeys, linked by a ground zanine complex of air conditioned walk- banks, boutiques and foodshops. "It will be the Gulf" say the developers.

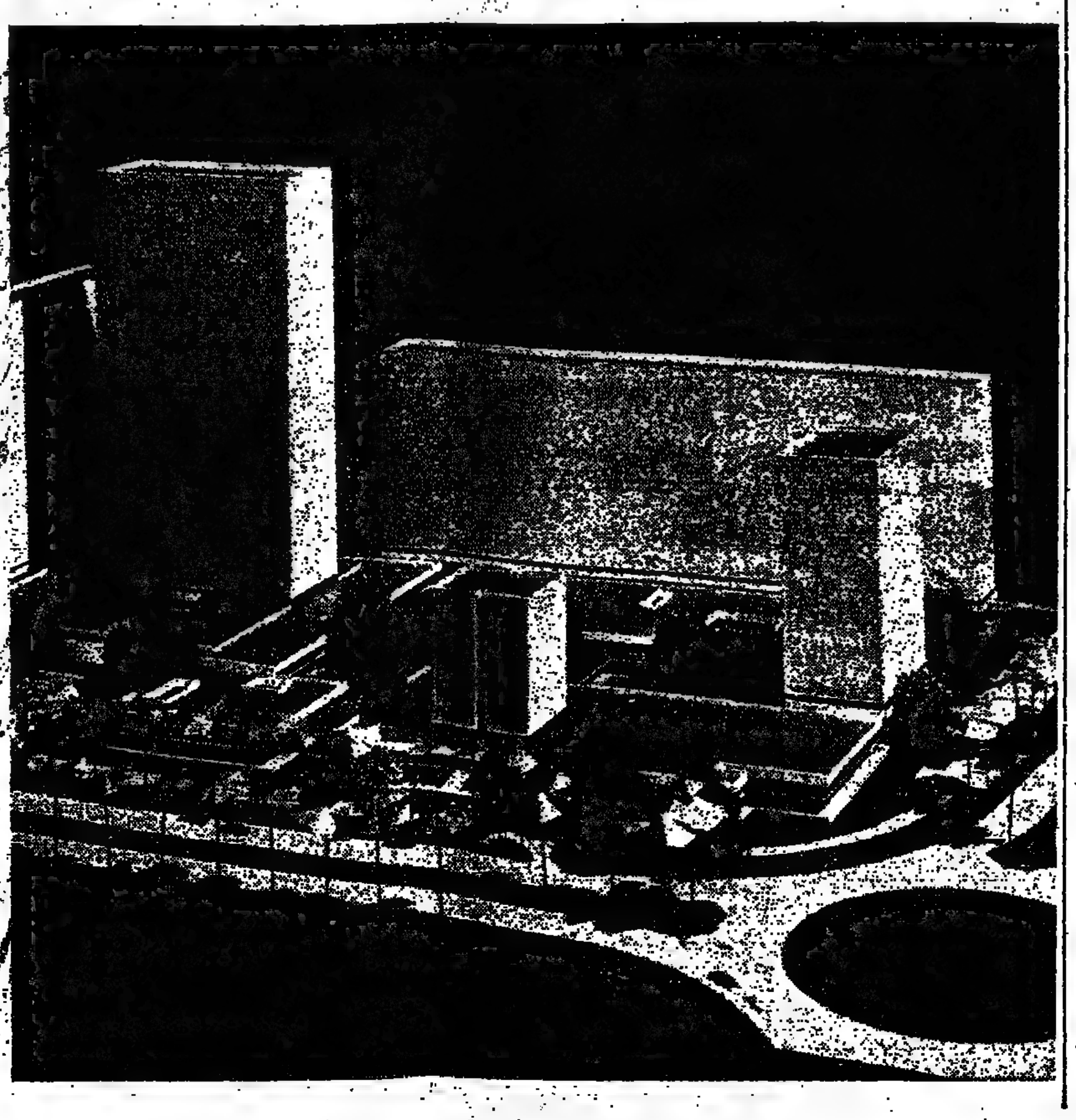
age of construction will comprise two of the the foreground of the photograph below, one gh with 8,000 sq. m. for shops and 4,000 sq nd second, on the right, 15 to 18 storeys high m. of space. Estimated cost is Dh.30m. No the whole centre can be given as yet, but at building costs, the five block centre is ex- in the region of Dh.300m. at least. The tinue construction on the other three main taken at a later stage when the economic mirate can be more accurately assessed.

project is being developed by ADRECO (Arabian Development Real Estate Company) which comprises the Renault Development Overseas Corporation, and a number of Kuwaiti and Lebanese interests including the Beirut-based Investment and Financing Bank SAL, and local merchants of Sharjah. The Sharjah Government itself has taken 20 per cent. The centre is being designed by a prize-winning French architect, Jean Dubuisson.

Perhaps the most exciting prospect in the centre is that foreign companies may be able to buy space in the blocks. The developers have not yet decided whether to sell or rent the office accommodation, but under a new law which should come out shortly in Sharjah foreigners would be able to buy office space.

At the moment, though, the whole project has been held up by the Dubai/Sharjah border dispute, for Dubai has been claiming the land it is built on. Until the dispute is finally settled by the Supreme Council, piling work on the first blocks has been halted. In the meantime the company estimates that building costs are going up at the rate of 2 per cent. a month, and that already they have lost Dh 6m. in delayed returns. The developers are now seeking compensation.

K.B.



One of 20 heavy-duty MACK tractive units recently shipped by Medtainer Line from Liverpool for container haulage duties in Sharjah.

Congestion in Middle East ports is a growing problem which many States are currently trying to deal with. Sharjah's new port facilities, offering the first fully equipped container facilities in the area, will greatly increase the Emirate's capacity, but there will be competition elsewhere in the Gulf.

Port development

THE GULF has the fastest growing freight traffic in the world and congestion at ports in the Arabian peninsula can keep ships waiting months for a berth. Containerisation, which could provide a partial answer to the congestion problem, is only in its infancy in the region; it is estimated that only 5 per cent. of the 40m. tons of cargo now being imported annually comes in containers.

Shippers believe that 40 per cent. of the goods now imported could be containerised and when the current emphasis on construction materials lessens and import of consumer goods increases, the share could increase by a further 20 per cent. That would mean about 1.25m. containers a year—or 24,000 units a week.

Not surprisingly, such statistics have generated enormous interest among the international container operators. With traffic increasing at the rate of 25 per cent. a year, many are looking for a foothold in the area.

The United Arab Emirates has been the first to pick up the challenge, and now almost all major port designs include provision for container handling. However, nowhere are plans more advanced than in Sharjah, which is suitably located for any integrated transport system. Sharjah is not merely embarking on port development plans, but is designing an intermodular freight system with a specialised container terminal on the East coast, another at Port Khalid in Sharjah itself, and a new cargo airport.

Weekly

Port Khalid is already operating and by the end of this year will have weekly calls by ships from the U.K. and Europe. However, the East coast terminal will offer the most exciting possibilities. It will be based in Khor Fakkan, presently a sleepy fishing village known only to campers and day trippers, but with a natural deepwater harbour which will require little dredging.

Its greatest advantage is its strategic position; large container vessels can offload there without having to pass through the very congested Straits of Hormuz. It is estimated that a ship goes through the Straits every 12 minutes, and as traffic grows every year congestion can only worsen. Inside the Gulf congestion is such that many ships make a tour around the ports to register and then make a second trip to take up waiting positions.

At Khor Fakkan, however, large mothership container vessels will be able to offload cargo with only a small diversion from a voyage to the Far East. The cargo can then be trucked inland or transhipped in smaller vessels to other nearby Arab ports.

But for the present, Port Khalid will offer the first fully equipped container facilities in the Gulf. A few months ago, the Sharjah Government let it be known that it sought foreign management for both ports, and Seatrain, a prominent American container operator, won the contract in the face of competition from a dozen European companies and port authorities. A new company registered in Liberia, Seatrain Gulf Services SA, has been established.

The present development planned at Port Khalid, which is still under construction by an international joint venture consisting of the Greek company, Archirodon, Hochtief from West Germany and Belgium's Six Construct, will cost about $100m. The first phase is for seven berths, four of which will be for general breakbulk cargo and two berths for containers. Depth of water at the terminal is 30 feet and the entrance channel 33 feet.

The dual purpose container/roll-on roll-off terminal is 1,192 feet long and is equipped with two "Seacontainer "Tango" gantry 30-ton cranes. The parking area can accommodate 2,000 40 feet units stacking three high. Other equipment includes three fork lift trucks from the British company Henley of 20 to 40 capacity and 26 smaller fork lifts of 2 to 3 ton capacity from Clark Equipment. The container cranes cost $2m., the other shore-based equipment $2.5m. and expenditure on tugs and other port craft another $2.5m.

Two container berths are small stuff compared with neighbouring Dubai's giant Port Rashid which has 15 berths and is building another 22, yet between the two ports lies a fundamental difference in philosophy. Sharjah port wants rapid throughput of cargo and storage rates are ten times those of Dubai, while marine rates are about 25 to 50 per cent. higher.

Dubai is essentially a warehouse port, built by Sheikh Rashid partly to aid the merchants of the Emirate, and this thinking has made it the cheapest port in the Gulf. It is estimated by Dubai Port Services that at any one time there is 1m. tons of cargo awaiting collection.

Frequent

Already the new terminal has generated more inquiries from shipping lines than it can handle, but the most frequent user will be Medtainer Line which, by the beginning of 1977, will be offering a weekly service to Sharjah from Rotterdam, Liverpool, and Marseilles. Medtainer is part of the National Shipping Company of Lebanon which has been running Europe/East Mediterranean services for more than four years. Plans for next year include stops at more European ports in Germany and North Europe and perhaps another port in South-East England.

Medtainer is now taking delivery of four new ships on charter which have been built in a Japanese yard and are designed to take 400 containers each. One roll-on/roll-off vessel of 190-unit capacity has been chartered in the preliminary stages to cater for feeder services. Other users committed to Sharjah are Ben Ocean, a combination of Ocean Transport and Trading, and Ben Line, and Mitsui OSK. both of which will be calling about once a month or more.

The Ben Ocean services will be arriving with mainly palletised cargo which will then be stuffed into containers, and with Mitsui's cargo will be loaded on to the Medtainer vessels for transhipment to Jeddah on the Red Sea. To ensure speedy turnround times for the users, Seatrain Gulf has sent a number of crane operators to train in Singapore where similar gantry cranes are in operation, and taken terminal workers from an Indian port long familiar with the parent company, Seatrain.

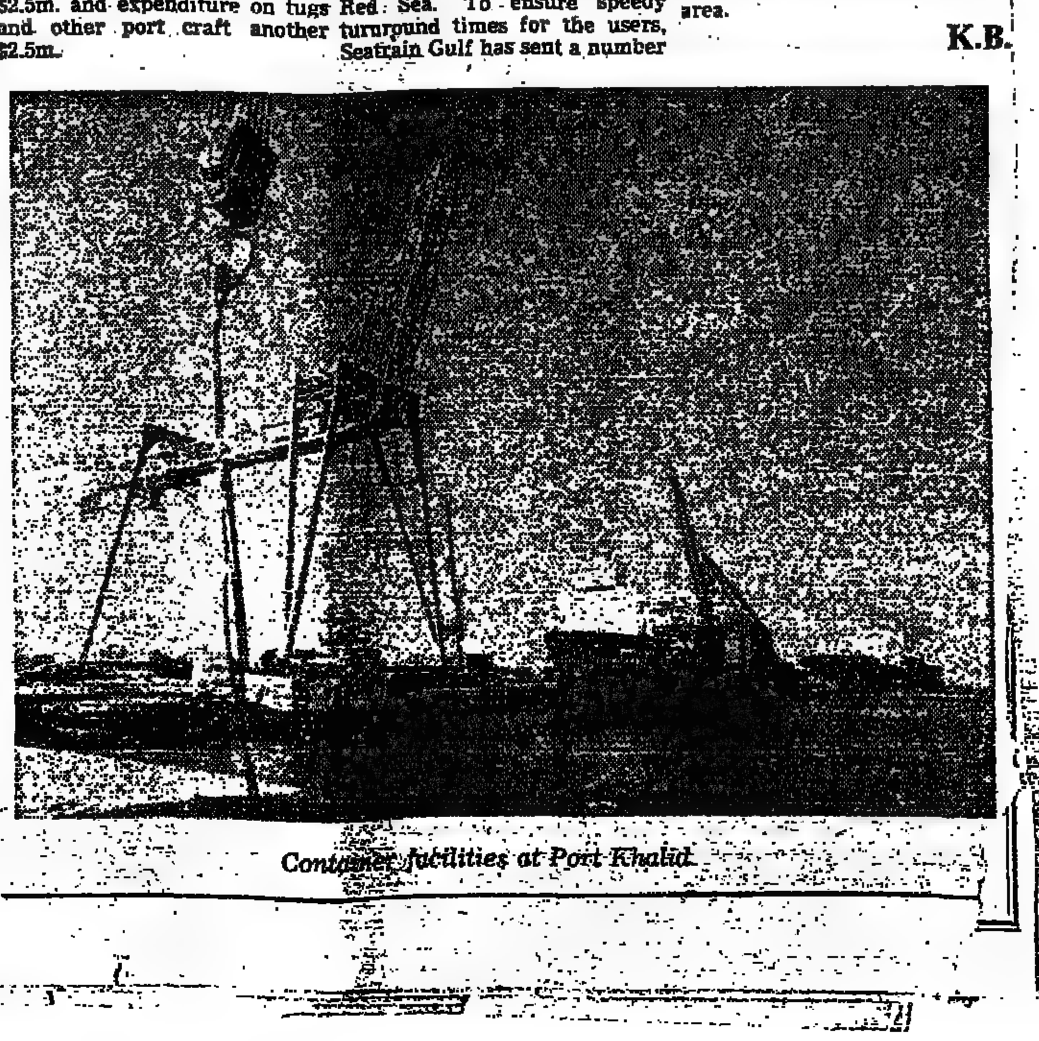
The operators of the terminal, Sharjah Container Terminal (a combination of local interests and the National Shipping Company of Lebanon), are also establishing a separate trucking division and have ordered 50 heavy vehicles and trailers from the U.S. Seatrain itself has another 40 on order, and the hope for the future is that a national trucking company combining local Sharjah interests and foreign companies will be established to ensure speedy transhipment from ship to trailer and onward.

The Khor Fakkan project on the East coast will be the lynch-pin of the integrated transport system which the Emirate is selling to shippers. The port is expected to take another 22 months to complete and when finished will be able to handle the largest container ships afloat. The harbour will require little dredging for the depth of water is already between 40 and 50 feet and the entrance channel more than twice that. Current design plans call for a 1,000 foot quay with two large 40 to 45 ton capacity gantry cranes and a parking area capable of handling 1,500 40 foot units. Already Seatrain, American President Lines and Hapag Lloyd have expressed interest in the Khor Fakkan project.

For the Greek company Archirodon the project presents one of the most complicated engineering jobs in the area, for the contractors have literally to move a mountain in order to create the berthing space. The mountain which borders this lovely creek is to be blasted away.

The Khor Fakkan project should be completed about the same time as the first five berths in Jebel Ali, Dubai's massive new port 40 kms. down the coast from Port Rashid... Dubai is now building more container berths than Sharjah is likely to have, and Sharjah's two new berths already in operation will clearly illustrate the benefits of containers to consignees in the area.

K.B.



Container facilities at Port Khalid.

هكذا من الاصل

Most businessmen venturing for the first time into foreign parts are concerned to know the broad legal framework of the country or countries involved. The article below sets out the system they will find in Sharjah in particular, and in the UAE generally.

Business law

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With the advent of federation, the seven individual Emirates (each previously a separate autonomous entity) surrendered part of their sovereignty to the new federal government. All laws, regulations and custom obtaining before this, however, were ratified and confirmed and those powers not transferred by the provisional constitution to the new federation were and are expressly reserved for the individual Emirates.

Legislate

In the interim, the individual Emirates may still legislate within certain of the areas prescribed for the federation pending the promulgation by the federal government of its own legislation.

On expiry of the initial five-year period of the provisional constitution on December 2 last the seven Rulers sitting together as the Supreme Council under the chairmanship of the President for the time being, HH Sheikh Zaid bin Sultan Al Nahayan, Ruler of Abu Dhabi, opted to extend the life of the provisional constitution for a further five years to allow a permanent constitution to be drafted in keeping with the needs and requirements—as they more clearly emerge—of the United Arab Emirates and its peoples.

It may readily be seen therefore, that the Emirate of Sharjah, although part of the federal State of the United Arab Emirates, retains a substantial degree of sovereignty and a separate body of law, together with the capacity to promulgate new legislation within the jurisdiction reserved to it—and indeed in other spheres where federal legislation has not yet been forthcoming.

Within the Emirate there are still two distinct jurisdictions, each exercised by a separate system of courts, the Sharia' (or Islamic) court and the civil courts. In theory at least, any attempt to define the precise limits of each of these must meet with a number of difficulties, but in so far as generalisations can be made, it may be said that the first extends (by law or by practice) to disputes or matters arising between local citizens and matters touching Islamic personal law, while the second extends to all other matters.

It will thus be appreciated that for the most part the body of law with which a businessman from abroad is most likely to be concerned is that administered by the Civil Courts of Sharjah. Proceedings in the first instance normally consist of the hearing of the parties and their evidence by a single judge sitting alone without a jury. A party may, of course, be represented by legal counsel licensed by the Ruler to practise before these courts. An appeal against the judgments given in the first instance goes to the Appellate Court, which is the Supreme Court for the Emirate. An appeal is made by the submission by the parties of memoranda stating their arguments, memoranda which are normally drawn up and settled by local counsel. No further evidence is normally taken unless requested or required by the court. The decision of the Appellate Court is final and binding.

The applicable law in each of the above jurisdictions is similar to the extent that the basic law is the Sharia' Law of Islam. The principal difference however is that while the Sharia' Courts look more to the strict principles of Islamic jurisprudence in arriving at their judgments, the Civil Courts can and do, where no express legislation exists, seek assistance from local usage and custom and (in accordance with the principles of natural justice, law and equity to which they are directed) from the general body of law and jurisprudence obtaining in other jurisdictions, notably Jordan, Egypt, England and France.

As for enacted law, before the formation of the United Arab Emirates, very little such law existed in the local jurisdictions, largely because of the lack of any great need. Towards the latter days of the British presence in the area, however, the individual States (including Sharjah) did adopt a number of laws inherited in part from the British jurisdiction, though in the commercial field this was limited largely to a law relating to contracts.

Since the advent of federation there has still not been a great deal of new legislation introduced which has direct bearing on the commercial world, principally because most important legislative power in this field is now vested primarily in the federation, while the federal government for its part has been largely preoccupied with organising its own administrative and executive machinery as well as establishing its precise constitutional status.

Nevertheless, some federal law has been introduced, notably the U.A.E. Currency Board Law 1973 which is designed to promote and foster a sound banking and financial system in the national interest by controlling and regulating the establishment of financial institutions. It is understood that this law is currently being revised and that a new law may be promulgated in the near future establishing the Currency Board as the central bank and extending both its activities and its degree of control over banking and monetary matters generally throughout the Emirates.

There is at present no exchange control and as yet none is foreseen. Additionally, while the federation has power to impose taxes, to date the only tax legislation in force in Sharjah is the Income Tax Decree 1969 which, strictly speaking, imposes a liability to tax on all bodies corporate wheresoever incorporated carrying on business in Sharjah. In practice, however, this was designed to and does in fact apply only to oil-producing companies.

In other of the Emirates, similar decrees are also applied generally to banking concerns, but in Sharjah no tax is levied upon banks operating there. In order to enable bodies corporate, whether incorporated in Sharjah or elsewhere, to clarify their position under the above tax law, it is normally possible to obtain certificates of exemption from tax payable thereunder.

In addition, it is the declared policy of the Ruler actively to encourage all serious parties interested in doing business with Sharjah or in establishing a creative business enterprise in the Emirate. Moreover, a variety of incentives can be and are made available by the Ruler to persons intending to make a positive contribution to the commercial growth and development and to participate in the fortunes of the area and within practical limits the Ruler endeavours to remain accessible to all. The efforts and energies expended in this regard over the years since his accession are self-evident and the legal climate and general attitude in all spheres, including those where executive and other permissions and licences are required, are geared to this end.

In particular, a foreign businessman should nowhere find distinctions being drawn between local and foreign interests, all being treated essentially on an equal footing. The existence of a detailed contract law based on internationally known and established Common Law principles is also a factor of comfort and reassurance to the businessman and it is thought that other laws may be being looked at to see how these might also be adapted to this end.

Turning to a closer look at the first group of foreign businessmen mentioned earlier—those seeking to do business with the area—their principal concern is, understandably what their position would be in the event of any dispute or difficulty arising in a contract which they have negotiated in the Emirate. This raises questions of the enforceability of contracts, the language thereof, registration, the validity of a choice of foreign law and arbitration and the impartiality of the judiciary.

Obviously these are questions of some complexity with which it is difficult to deal adequately in a relatively short article. In principle, however, it may be stated that commercial contracts properly drawn and upon which advice has been sought in advance will be respected by the local courts before which any disputes would normally come. In line with what has been said above, the courts in Sharjah may reasonably be expected to apply modern principles of civil law to uphold the customary provisions of most commercial contracts and will likewise normally respect an express choice of law as well as of arbitration, whether domestic or foreign.

At the same time, it will be appreciated that the courts of Sharjah, in common with courts elsewhere, will resist any obvious and blatant ouster of their jurisdiction. It may also be taken as an essential tenet of the applicable law that a contract itself constitutes the law governing the relationship between the parties and is to be honoured and enforced in accordance with its terms. The impartiality of the judiciary is to be respected and admired.

Presence

Looking to the second category of foreign businessmen—those seeking to establish a physical presence in the area, whether through a branch or the forming of a local firm or company—there are at this time no restrictions on foreigners coming into Sharjah and, indeed, every encouragement is given them, though one may find additional encouragement where a foreign party is prepared to join hands with a local party. While not mandatory, this is often to be recommended. In the long term in particular, it deserves careful consideration.

In all cases where a locally incorporated limited liability company is not required, the procedure of coming into the area is first by the establishment of a physical presence by securing locally available accommodation (usually in the form of a flat), whereafter application may be made to the Sharjah municipality for the issuance of an appropriate municipal licence, which is normally granted upon payment of the prescribed fees, usually in the region of 20 per cent. of the annual rental of the premises taken on lease. Registration is also required with the Chamber of Commerce and Industry and with the Federal Register of Commerce, to which additional but essentially nominal fees are payable.

Municipal and other licences and registrations are on a yearly basis and require to be renewed on January 1 each year. In certain fields, an additional approval is required from the appropriate authority before such licence will be issued, for example, in the case of lawyers, doctors, dentists, architects, engineers, and the like, whose professional qualifications require to be vetted by the body responsible.

As regards the formation of limited liability companies, there at present exists nowhere in the United Arab Emirates generally or in Sharjah in particular any general law permitting this. In this light, the customary procedure is to seek a special law or decree issued in appropriate cases by the Ruler.

The procedure to be followed is the preparation and drafting of an appropriate set of corporate documentation (namely, memorandum and articles of association) which is then presented to the Ruler through the Legal Adviser together with such supporting documentation as may be required. If it is approved from a legal standpoint, then it is submitted by the Legal Adviser to the Ruler, who will then consider whether or not a decree should be issued. If favourable consideration is given, an appropriate decree will be forthcoming conferring corporate status and limitation of liability.

Obviously, where special privileges such as this are conferred a factor which might well weigh in the applicant's favour may be whether or not a local party is involved and, if so, to what extent. It should be stressed, however, that this is not a *sine qua non* of incorporation, merely that it may be taken as further evidence of a party's serious intent and his desire to promote local interests as well as his own.

In general, then, it will be seen that the legal climate is favourable to foreign trade and investment and that under the positive and far-sighted leadership of the Ruler every encouragement is given to the promotion and development of commercial enterprise, both local and foreign. It bears stressing, however, that preference and greater incentives may understandably be given to projects conducive to the advancement of local interests and to persons prepared to identify themselves closely with the Emirate and its people.

Neil McNeill

Sharjah aims to attract tourists as well as businessmen to the new hotels it is building in the capital. It is also exploiting the fine mountain and coastal scenery on the Gulf of Oman. But the very high cost of living is a serious disadvantage.

Tourist efforts

In a custom to ward off evil spirits, Sheikh Abdul Azziz, the Ruler's brother and a leading busines[s]man, pours coconut milk into the foundations of the new Rolla Hotel.

ON THE surface there appear to be insurmountable obstacles to developing tourism in Sharjah. First, the federal Government does not issue tourist visas, second, most cities in the UAE are concrete jungles and construction sites, and third, hotel prices must be among the world's highest.

Yet to demonstrate its seriousness about tourism, the Sharjah Government recently commissioned Lufthansa to assess the possibilities for tourism in the Emirate. The study is to cover Sharjah town itself, the oasis village of Dhaid on the road to the east coast, some ancient sites at Mileihah, and the coastal towns of Khor Fakkan and Dibba. The airline will also assess prospects for specialised tours from Europe, the possibilities of a hotel training school in the area and exactly what Sharjah has and the most effective ways to sell it.

The early days of the boom in the UAE can be seen everywhere in ugly, rapidly thrown up multi-storey blocks; construction debris lies everywhere. Only now that some cities are beginning to take on austere unlovely shapes are the Rulers beginning to take an interest in urban planning. Nowhere is this thinking more advanced than in Sharjah which is fortunate in starting development later than its neighbours, and where the main town has been strictly divided into "green" belt areas and industrial zones. The Ruler takes a highly personal interest in this aspect of development, and even has his own palm tree cultivation farm, from which he takes trees to plant in the many streets currently under construction.

Fishing

To the harassed overcharged businessman the Gulf is a nightmare of astronomic hotel prices, exorbitant taxi fares and endless expanses of desert. Yet just outside the main cities, the real Gulf emerges where wooden dhows are still being built by hand, camels rather than Cadillacs are often used as a form of transport and fishing is still the main source of income. And there is mile upon mile of white sand beaches, jealously guarded by knowing expatriates.

Every Friday the road to Khor Fakkan on the east coast of Sharjah is jammed with holiday campers, picnickers and trailers, all heading for the "Arabian Riviera." The one-and-a-half-hour journey from Sharjah is well worth it, for the road twists and turns through an impressive silent mountain pass in the Emirate of Fujeirah until the vista flattens out to reveal the coast. At Khor Fakkan the mountains again reach into the sea, forming sandy coves, ideal sites for small hotels. The short journey to Dibba is a beautiful combination of mountains, white beaches and palm trees, with the sea speckled with many tiny islands.

Already the developers have moved into this lovely spot and a new complex of villas is getting its finishing touches alongside the Corniche. Belgium's Six Construct has a contract to build a further 50 bungalows in Khor Fakkan. In the next three years this tiny fishing village, already being developed as Sharjah's new deepwater container terminal, is going to be transformed by the construction of luxury hotels. The largest development is a 110 room complex owned by the ABC Real Estate Company, a local company owned by two prominent merchants of Sharjah, Sheikh Abdul Aziz, the Ruler's brother, and Sheikh Butti. The complex will consist of 70 villas and will be run by the British company Trust Houses Forte, as will two other hotel projects being developed by the same owners. The Zubara Beach, as it will be named, will have a main building with an additional 60 rooms, with restaurants and bars; the villas will each have two or three bedrooms and ten of them will be classed "VIP" bungalows. The complex is to be built entirely on a mountain slope leading down to the beach and marina. The main building is to be built in the style of an Arabian coastal fort, and the cost of the entire project is estimated to be Dh80m.

Also planned for completion in Khor Fakkan by 1978 is a 250 room hotel to be owned by a prominent Sharjah personality, though the management and construction contract is still being negotiated.

Sharjah itself is undergoing a veritable boom in hotel construction, unmatched in any other Emirate. No less than 16 hotels are underway, some already in the final stages of construction. The first to open will be the French run Novotel in January, 1977. Situated right on the beach, the hotel is a long two-storey block consisting of 139 rooms.

However, perhaps the most exciting project in Sharjah is the Marbella Club, which is to be run by Prince Alphonso de Hohenlohe, who runs a famous club of the same name in Spain. The club has been designed by Prince Alphonso himself and his aim is to create a "lush jungle" in a hostile desert. Some 28,000 trees and shrubs are being imported, carefully chosen by Blakedown Landscapes of Kidderminster. Each cottage in the complex will be coloured to echo the tone of the plants and flowers which border it, and each of the 50 will be a different colour. The interiors will reflect the lushness outside, and in the clubhouse, which serves as a main building, there will be restaurants and private dining rooms for small conferences and receptions. The Club will also have indoor tennis and a jetty for power boats, and the whole complex is due to be finished by July next year. With its acacia and tamarind trees and coconut palms it could be the lushest spot in the entire Gulf—certainly the most luxurious and charmingly designed. Sadly, the project has seen a rush of applications from companies and merchants wanting to take up permanent residence in the Club, though the owners are hoping to retain a number of rooms for visiting businessmen.

Other major projects under construction are the 278 room Holiday Inn and the Sharjah Intercontinental with 380 rooms. Finance for the first was raised by a syndicated loan between a number of Sharjah banks, and it is to be built by Conforce Gulf, an association of local interests and a Pakistani company. Consulting engineers for the project are Brown Crozier Wyatt of London. Project managers for the Intercontinetal are Bechtel, and when completed this 12 storey hotel will be located on a seafront site and be equipped with bowling alley, swimming pools and restaurants.

The other two Trust Houses Forte ventures in Sharjah are the Gulf Star, which will be a first class 250 room complex on the beach; and the Rolla Palace which will be located downtown and is designed as a middle standard hotel. Air France is far advanced on its beachside project, the 230 room Meridien Hotel, which is due to open at the end of next year. Lebanese and Kuwaiti interests are combining to build a second hotel in Shajah, the Carlton Towers, a complex of 250 rooms. The Indian hotel company, Oberoi will be managing the Zhara Square hotel, a project of 100 rooms. Apart from these projects, there are four other private ventures which will bring the total number of rooms being created in Sharjah over the next two years to over 3,000.

Price

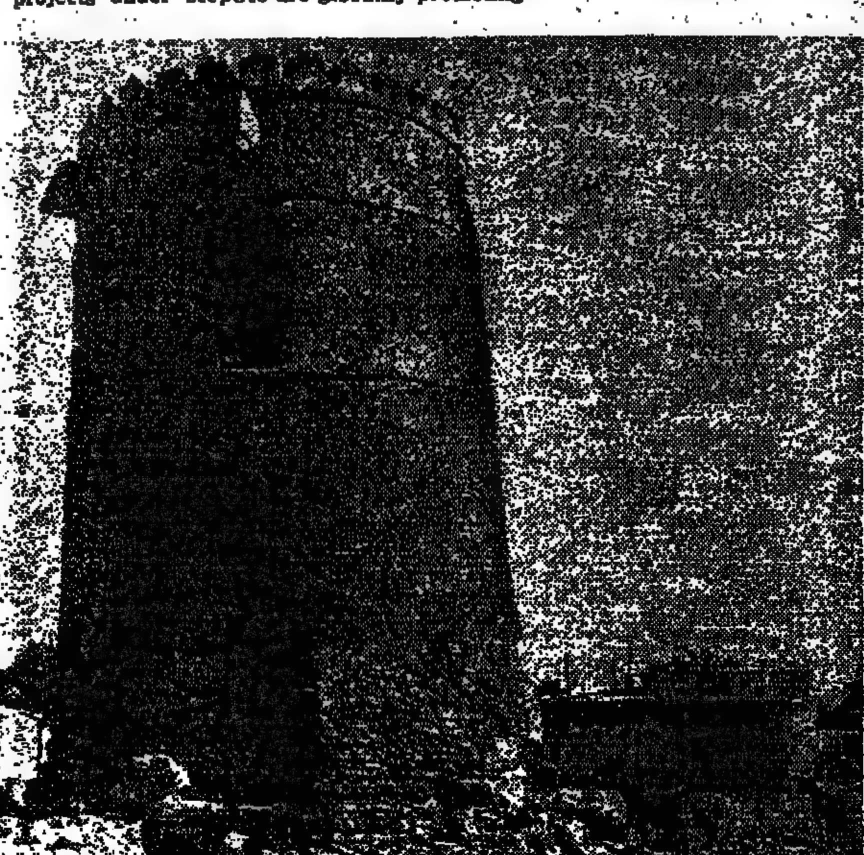
One significant aspect of the plans is that some consideration has been given to the ordinary businessman, who until now has been forced in most Emirates either to stay at very expensive top class hotels or end up in a very low class dive in the souk. Four of the hotels are designed for the middle range though this is hardly reflected in the price. Room rates envisaged at the moment are around Dh200 (over £31) a night, while de luxe hotel prices start at Dh250.

Hotel prices might prove to be the hardest obstacle to overcome in Lufthansa's hopes of encouraging tourism to the Emirate. And with all the hotel projects under way, not only in Sharjah but in nearby Dubai, sceptics are gloomily predicting that there will be over-capacity by 1978 when all these hotels are open. Yet if business booms like it is at the moment in the UAE, there seems little doubt that they will have healthy occupancy rates. The Lufthansa experts have close ties with Dr. Tigges Fahrten of Cologne, one of the largest up-market tour operators in Europe, and they hope that some arrangement can be made with Sharjah hoteliers to encourage European tourism. There are even hopes of a tourist fare being negotiated, for as every businessman knows, airfares to the Gulf are among the highest in the world.

Among the projects being considered to attract tourists are a rest house and restaurant in the oasis of Dhaid, where camel races and bedouin-style accommodation could be laid on. The possibilities of golf courses, flying schools and water sports are being considered for the Khor Fakkan hotel projects, and there are thoughts of opening the now defunct small airstrip there so that private planes can make use of it.

Whatever arrangements can be made with hotels or airlines, Sharjah will remain strictly for the up-market special-interest tourist. The greatest potential may not lie in Europe but in the Gulf area itself. Thousands of expatriates and rich Gulf Arabs would be attracted to an area which combines beauty, freedom—for example, in some areas of the Gulf mixed bathing is not allowed (even in the top hotels), and problem-free access to alcohol, an undeniably important factor. Expatriates, traditionally, go home for holidays, but for a quick week-end away or for one of the many holidays in the year, Sharjah could provide the necessary welcome when there are scheduled airline services from Kuwait, Saudi Arabia and the other Gulf States. For Sharjah is green on the coast and the plans suggest that it is creating a number of hotels which do not follow the Gulf norm of concrete and glass boxes. With its liberalism and flair, Sharjah could have a tourist future.

K.B.



An old fort on Sharjah beach.

BY DAVID WATT

A major change in the Cabinet's role

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...ying to strike a ...en these two ...tever may be ...final product, ...ashioning it has ...ificant, and will ...le many happy ...y learned foot- ...ll students of ... The point is ...s been in some ...There have, of ...nerous cases in ...Cabinet has ...etings to reach ...ough not, per- ...which the full ...seven times on ...a single issue). ...nknown for a ...Exchequer to ...a matter of ...t. The Cross- ...ggest that, at ...enditure cuts ...ong haggling ...ome the rule. ...there are at ...nnovations in- ...ts of the last ...e first is the ...to encourage ...the Cabinet to examine and comment upon the Government's entire economic strategy including macroeconomic targets, expenditure projections and even tax proposals for the next Budget. Bits of these have sometimes been discussed by the whole Cabinet and all of them sometimes by a small inner Cabinet. But the usual procedure, as I said a week or two ago, is for the Prime Minister and the Chancellor to agree on the outlines of a strategy; for expenditure decisions to be fought over in the Cabinet committee among the chief Ministries involved; and for the tax measures to be disclosed only in the Cabinet meeting before the Budget.

The other innovation, almost certainly unintended by the Prime Minister or the Chancellor, has been that the whole discussion has taken place in a blaze of publicity. Not only have the positions of the individual Ministers been plotted in the Press but the whole course of the argument has leaked out. In addition, a large number of people who normally stand on the sidelines of current policy-making have been sucked into the argument—Labour backbenchers, academics and journalists. Politicians are always calling for a Great Debate on this or that—mainly as a way of putting off having to make up their own minds—but apart from the Common Market this has been the nearest we have come for many years to having one.

How has all this come about? Well, so far as the publicity is concerned it results mainly from the other factor. If you open up an intensely political subject like economic strategy to a body of 24 men you can hardly expect to keep the seal of the confessional over their deliberations. As the Houghton Committee's recent report on the security of Cabinet documents rightly (though nannyishly) remarks: "When one's views are being disputed by one's colleagues in the Cabinet, the temptation to drop a word to a back bencher here or a journalist there is very real"; and when the dispute is spread over so many meetings it is a temptation which someone is going to find irresistible.

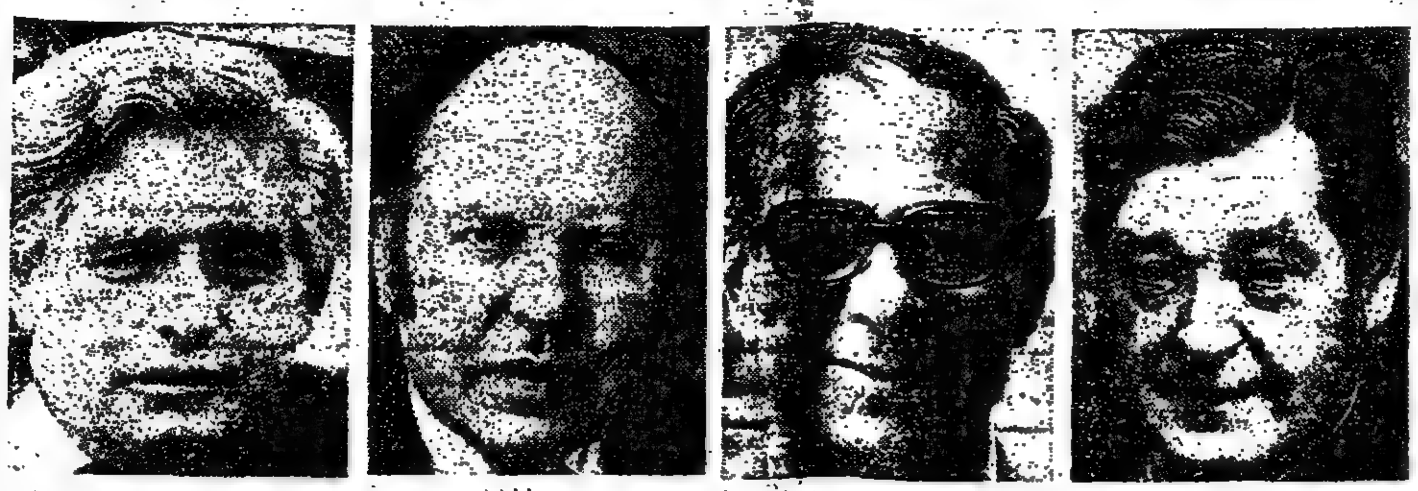
It is for this very reason that Prime Ministers and Chancellors and Treasury mandarins normally make such frantic efforts to limit this kind of discussion. And the question is therefore why sound bureaucratic practice has not been followed in this instance. It is easy enough to answer that Mr. Callaghan wanted it that way, being the kind of Prime Minister he is. But that does not really get to the heart of the matter. The fact is that there are forces at work here which would probably have been too strong even for the most conventionally autocratic Prime Minister safely to resist.

Looking at the matter as it were from the bottom of the Cabinet upwards one can distinguish one set of arguments, and looking downwards from the Prime Minister's viewpoint, another; but they all tend to the same conclusion. The Cabinet's most powerful motive for demanding a full debate is the disillusionment born of past experience. Having docilely accepted arguments from Mr. Healey during the last two years that were either falsified by events or are seen to have been tendentious in the first place, Ministers were not prepared to do anything more simply upon his say-so.

Nor is Mr. Healey himself the only object of suspicion. Behind him stand the shadowy figures of the Treasury and the Bank of England who, being less visible but no more successful in their forecasts and policy recommendations than the Chancellor, are now regarded by probably the majority of the Cabinet as both hostile and incompetent forces.

Another point here is the question of sheer knowledge and understanding. Many Ministers have been round this course several times before, and they read with care a financial Press that is vastly better informed than it was 20 or 30 years ago. They are actually able, as their predecessors were not, to challenge Treasury assumptions and to probe effectively for the weak points in a Chancellor's assertions. But above all other considerations the most compelling has been sheer political necessity. Every member of the Cabinet is aware that if the present package does not do the trick that will almost certainly be the end of the Government.

Some of these feelings have undoubtedly been shared by Mr. Callaghan. Protestations from Number 10 of the Prime Minister's undying confidence in his Chancellor need to be taken with a pinch of salt. If I read Mr. Callaghan rightly he is still suspicious of the Treasury as such, and believes that he cannot rely on Mr. Healey to get the strategy right on his own. On the other hand he knows he cannot leave him yet, for there is no credible alternative, and being a professional, he can see the folly of undermining the man he has decided he has to live with. There is therefore a sense in which the Prime Minister has used his Cabinet as a convenient agent to modify Treasury positions with which he did not agree.



Cabinet debaters: Mr. Dell and Mr. Prentice (left) from the Treasury-liners and Mr. Lever and Mr. Crosland (right) from the anti-deflationists.

At the same time he has believed all along that some cuts would have to be made and he obviously decided that the only way of forcing the Left and the anti-deflationists down this path was by a long, slow, process of persuasion by arguments from necessity which they would have to be allowed to dispute. Since he is a cautious and methodical man himself he may also have calculated and the Labour Movement, and indeed the country at large, would be more willing to accept measures the gravity of which was properly reflected in the length and sobriety of Cabinet discussion.

The dangers entailed in handling things this way are pretty obvious. The argument might have got out of hand. A new sterling crisis, brought on by the spectacle of "softness" or "indecision," might have cut short the argument in the most brutal fashion. It is also possible, as one ardent monetarist complained the other day, that if the operation had been conducted in the usual blitzkrieg fashion the Cabinet could have been "bounced" into "accepting a much more severe package; and if the package as finally concluded turns out to be unconvincing to sterling-holders such critics will presumably be able to say that the whole operation has been a disaster.

These risks have so far been justified by events. From a narrow political point of view the Government, I believe, has probably gained from the long drawn-out debate. There has been a certain amount of play in the Press with the divisions of Ministerial opinion, but (quite rightly) these have not on the whole been portrayed as breaking point splits with the probability of resignations to follow. The Cabinet itself does seem to have coalesced in the end around a reasonable compromise, which stands a fair chance of acceptance both by the IMF and the market as well as by the Labour Party and the TUC.

The interesting question is whether these results could have been achieved if the debate had been conducted in total secrecy. I would maintain that they could not—or at any rate that without a tremendous amount of leaking half the benefits of the discussion would have been lost. These benefits consist mainly in the education of outside opinion and its preparation for what was coming. A leading trade unionist told me the other day that the tremendous Press coverage of the whole discussion had in his opinion made all the difference to his members' willingness to take a rational view of the situation. It seems quite likely moreover, that international opinion has become much more aware of the subtlety and difficulties of the argument, considered as an intellectual problem for the British, and of its political ramifications.

After what has happened it seems unlikely that the relationship of Mr. Healey to his colleagues will ever be quite the same again. It may also be that the Cabinet discussions of the Budget will never revert to the old day before take-it-or-leave-it basis. It would be nice to think that henceforth there would be more openness of Government discussion and less nervousness about the mysteries of the Cabinet room. But I have my doubts.

Letters to the Editor

left. Against such a background it is, in the worst degree irrelevant, for the Department of Employment to minimise the impact of our strike record or for the Government to consider equating "worker directors" with industrial democracy and both with political democracy.

If we had a self-sufficient economy like that of the Americans, we could afford to be complacent about the incidence of strikes, and if we operated within a dynamic, expanding economy like that of the Germans, we could also afford the distractions of so-called worker directors. In the U.K. we can afford neither.

Leonard Neal.
Flat 68, 24, John Islip Street, Westminster, S.W.1.

Social services spending

From Mr. John Gretton.

Sir,—Joe Rogaly (December 7) brackets need and output as "the best measure we have." In so doing, he only adds to the confusion surrounding personal social services spending which he so rightly seeks to dissipate.

The measurable items that he lists—attendance by health visitors, assistance with telephones, help with TV licences, children admitted to care, registered handicapped persons, meals on wheels and so on—give little more than an impressionistic idea of need. To take just one example: we know how many children were admitted to care, but we can only guess at how many *ought* to have been.

The items have even less to do with output. They are not the results of the £1bn. we spend on the personal social services, they *are* that £1bn. In other words, they are *inputs*, not outputs. The fact that a lot of local authorities and spending pressure groups refer to such items as outputs does not make them so. The Department of Education and Science lists items such as pupil numbers and teacher numbers as "intermediate outputs." That, I suppose they believe, saves them from the embarrassment of having to admit that such figures tell us absolutely nothing about the value we may or may not be getting for the money we spend on education, any more than Joe Rogaly's list tells us anything about value for money in the personal social services.

It is not that output measures do not exist. How about truancy rates for schools, or deaths by hypothermia among OAPs? They may not be ideal; but the main trouble is that those who administer our social services do not want to use them, let alone look for better ones. They much prefer to go on equating inputs with outputs; that way, after all, lie fewer judgments and greater spending.

John Gretton.
Centre for Environmental Studies.
62, Chandos Place, W.C.2.

Useless dismal non-scientists

From a Senior Research Fellow, National Institute of Economic and Social Research.

Sir,—The article by Mr. Basil Woods on "The useless dismal non-scientists" (December 4) deserves a reply. He accuses all forecasters outside GKN of arrogance, lack of humility and breezy confidence and sums up his views by asking: have they no shame? Forecasters are often the first to analyse and study their past forecasts quite openly—the National Institute publishes regular post-mortems on its forecasts—and knows only too well that economic forecasts can be inaccurate.

Economics is not an exact science, like physics; Mr. Woods is right in saying that it is about people whose behaviour and reaction to economic change cannot be accurately foreseen. But he is not the first person to discover this, and if he ever went beyond the summary of the forecasts of the National Institute he must have seen that forecasters are not unaware that the economy consists of people.

Mr. Woods conveys the impression that he alone, together with his piece of sea-weed (which at least is a change from a crystal ball or a chicken's entrails), has been able to make more accurate forecasts—presumably not only for the U.K. economy but for the economies of other major industrial countries—than those of the professional forecasting bodies. We must take his word for it. In many other companies the practice is different. This is not to say that the economists employed in those companies uncritically accept one or other of the professional forecasts; these normally indicate the main assumptions made, and the areas of uncertainty, and it is open to the careful reader to come to his own judgement on these matters, and vary his forecast accordingly.

The forecasts are labour-saving for those company directors and business economists who do not wish to rely on sea-weed alone but are not in a position either to build up their own comprehensive picture of the course of the British economy, or to follow in detail, from primary sources, economic events in a large number of other countries. It would indeed be rather a waste of resources if every large company, separately and on its own, went through the laborious process of building up a detailed picture of the course of world output and trade, and of constructing its own fully independent and detailed U.K. forecast.

G. F. Ray.
2, Dean Trench Street, Smith Square, S.W.1.

Setting an example

From The Managing Director, Smith Brothers and Foster.

Sir,—The Inflation Accounting Steering Group's recent publication on current cost accounting lists other publications available from the institute's publishers. One of them, "A Guidance Manual on CCA," is quoted as costing £6.25 or £5.25 if ordered before December 10. I presume the institute is determined to set an example in putting into practice the implications of CCA on pricing decisions.

J. F. C. Hodges.
North Beck Mills, Becks Road, Keighley, West Yorkshire.

North Sea oil recovery

From The Managing Director, Amoco (U.K.) Exploration Co.

Sir,—The headline on Ray Dafter's article of November 26 proclaimed *North Sea Resources Wasted, Claim Oil Experts.* The more circumspect language of the article itself refers, however, to the claims of "two oil industry commentators." This distinction between commentators and experts should not go unnoticed.

Heretofore, Professor Odell and Dr. Rosing have limited themselves largely to criticising the reserve calculations and estimates of others, or of dealing with conjectural matters such as ultimate recovery of oil from the North Sea. *Now, however, they offer* to the public at £30 per copy, their own calculations of reserves for three specific fields, including the Montrose Field operated by Amoco (U.K.) Exploration Company. Utilising data from a technical paper published by an Amoco geologist, the authors calculate potential Montrose recovery as high as 416m. barrels! Since all the Montrose data recited in Odell and Rosing's book are drawn directly from the Amoco geologist's paper, and since the map in their book appears to have been copied contour for contour from the original paper, the reasonableness of Odell and Rosing's reserve estimates can be readily checked against the geologist's basic paper.

Although Odell and Rosing state that they have adopted the Amoco geologist's recovery factor of 49 per cent., their maximum recovery prediction actually represents 92 per cent. of the total oil-in-place at Montrose! This is about twice the recovery to be expected. If Odell and Rosing were right, Montrose would be one of the most renowned fields *in the history of the industry,* rather than what it is, a marginal North Sea oilfield.

How could Odell and Rosing be so far off? It would appear that their computer model assumed that the entire volume between the top of the structure map and an "average" water oil contact at Montrose represented oil pay section when, in fact, the Amoco geologist's report explicitly made the distinction between gross and net pay. The reservoir rock at Montrose has a considerable layering of non-producing shale section, and if Odell and Rosing had used the net to gross pay ratio indicated in the geologist's paper, they should not have gone so far astray.

In any event, there is nothing in the geologic study to justify Odell and Rosing's unsupported assumption that the reservoir is homogenous and can be governed by what they call "geographical" and "spatial" attributes. They tell us, they chose "a new approach to the problem rather than an approach prejudiced by past experience." "We would argue," say Odell and Rosing, "that the oil recoverable from a large North Sea field is a function of a geography of the occurrence . . ." and further that "the problem is indeed similar to many other location problems in geographical studies." Here then we have economic geographers who decline to apply the basics of a related science, but choose instead to grind the situation to fit their own past experiences and prejudices.

Finally, we have Odell and Rosing as critics. They contend that "Yesterday's and to-day's decision takers seem likely to have a great deal of explaining to do when the short-comings in their decisions on the development of major North Sea oil fields . . . are eventually revealed for what they are." Nothing in Odell and Rosing's book gives the decision takers anything to explain.

But what of the commentators and industry critics who continually exaggerate the potential of North Sea oil operations; who helped create the "bonanza mentality" which resulted in over-building construction yards; led to legislation aimed at "creaming off" that non-existant bonanza, and as a result helped bring about the sharp reduction in North Sea activity. It seems likely to me that it is they who will have a great deal of explaining to do.

N. J. Rubash.
St. Alban's House, 59, Haymarket, S.W.1.

To-day's Events

GENERAL

The Queen and Duke of Edinburgh attend thanksgiving service for preservation of Canterbury Cathedral.

Dr. Henry Kissinger, U.S. Secretary of State, holds talks in London with Mr. James Callaghan, Prime Minister, and Mr. Anthony Crosland, Foreign Secretary, on question of Rhodesian settlement.

Press Council gives oral evidence to Royal Commission on the Press, Old Admiralty Building, The Mall, W.C.2.

Mr. William Rodgers, Transport Secretary, is guest speaker at Institution of Highway Engineers lunch, Grosvenor House, W.1.

Mr. Anthony Wedgwood Benn, Energy Secretary, speaks at Yeovil Labour Party dinner.

Sir Frederick Catherwood, chairman, British Overseas Trade Board, addresses quarterly meeting of North of England Development Council, Newcastle Civic Centre.

London Chamber of Commerce seminar on Fringe Benefits, Royal Festival Hall, S.E.1, 3 p.m.

National Union of Students' winter conference opens, Blackpool.

Offshore International Exhibition, final day, National Exhibition Centre, Birmingham.

Unit Load Show ends, Wembley Conference Centre.

PARLIAMENTARY BUSINESS

House of Commons: Fishery Limits Bill, remaining stages.

OFFICIAL STATISTICS

Building Societies' receipts and loans (November). Usable steel production (November).

COMPANY RESULT

Norcros (half-year).

COMPANY MEETINGS

Burgess Products, Hinckley, Leics., 12. Johnson and Firth Brown, Sheffield, 12. Kunick, 10, Belgrave Square, S.W., 10.30. Longbourne, 37, Mincing Lane, E.C., 3. Palmerston Investment Trust, Winchester House, E.C., 12. Patani Para Plantations, 19, Leadenhall Street, E.C., 10.45. R.C.F., Birmingham, 12.

OPERA

English National Opera production of A Night in Venice, Coliseum Theatre, W.C.2, 7.30 p.m.

BALLET

Royal Ballet dance Swan Lake, Covent Garden, W.C.2, 7.30 p.m.

London Contemporary Dance Theatre perform David and Goliath, Step at a Time, Sadler's Wells Theatre, E.C.1, 7.30 p.m.

SPORT

Tennis: BP Cup, Queen's Club. Squash: Women's British closed championships, Northampton. Badminton: English national championships, Luton.

COMPANY NEWS + COMMENT

ATV soars to £5.17m. at interim stage

NEARLY ALL divisions contributed to an advance in pre-tax profit from £2,028,000 to £5,160,000 by Associated Television Corporation for the half-year ended September 26, 1976.

In particular there were substantial additional profits from the feature film "The Return of the Pink Panther," say the directors.

Sales climbed from £30.31m. to £42.27m. and the stated earnings per 25p share were more than doubled to 5.89p (2.36p). The interim dividend is raised to 2.275p net (1.85p). Last year the total payment was 4.3p *from profit of £6.63m.*

Reed International subsidiaries have a substantial interest in the company.

	Half-year 1976 £000	1975 £000
Turnover	42,269	30,311
Pre-tax profit	5,169	2,028
Taxation	2,688	1,055
Net profit	2,481	973
Minorities	18	(16)
Attributable	2,463	989
Dividends	852	774

● comment

ATV has pushed its pre-tax profits higher by over £3m. thanks to a substantial return on the film "Return of the Pink Panther" amounting to around £2½m. But, even putting that aside, ATV has turned in a good performance, with a profits increase of about 30 per cent. The contracting side was buoyant—industry advertising revenue rose by 35 per cent. in the period—and the record and tapes division also made some recovery helped by the Eurovision Song Contest winner "Save Your Kisses for Me." Music publishing also had a good first half. For the current half the exceptional film profits will be absent, but contracting profits should be good, at least until Christmas, and the record side should continue to improve. So, maintaining the normal seasonal bias, ATV looks on target for £9½m. this year, for a prospective p/e of 5 at 57p, while the dividend recovery points to a yield of 14.0 per cent. At this level the shares are relatively attractive.

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INDEX TO COMPANY HIGHLIGHTS

Mitchell Somers ahead 46%

A RISE of 46 per cent. in pre-tax profit, from £602,000 to a record £882,000, is reported by Mitchell Somers for the six months to October 2, 1976. Overall prospects for the year remain good, says Mr. L. J. Thomas, chairman.

The interim dividend is increased from 0.43p to 0.55p net per 10p share. Last year's total was 1.28p from profits of £1.4m.

	Half year 1976 £000	1975 £000
Turnover	6,260	6,479
Profit before tax	882	602
Taxation	459	313
Net profit	423	289
Int. dividend	51	51

All sections are performing well, says Mr. Thomas, and exports, particularly to North America, have continued to grow.

The company forges and machines crankshafts and other components for a range of industries including marine pipelines and compressors.

LMS well up after six months

ON A LOWER turnover of £36.76m. against £38.33m., London Merchant Securities lifted pre-tax profits from £2.06m. to £2.65m. in the six months ended September 30, 1976, reflecting the benefit of interest savings arising from a substantial reduction in short-term debt.

Lord Rayne, chairman, says that this improvement is being maintained in the second half and should permit an increase in the *dividend total.*

After a two year absence interims are being resumed with a payment of 0.375p net—the single payment for 1975-76 was 0.575p paid from profits of £4.66m. At this level profits represented a partial recovery from the depressed £2.96m. shown in the previous year. In 1972-73 profits were a record £8.46m.

The first half profit was struck after lower interest charges of £3.44m. (£4.08m). Providing for *tax and minorities the attributable* balance emerged at £0.84m (£0.61m.) giving earnings per 25p share of 1.41p against 1.08p.

	Six months 1976 £000	1975 £000
Turnover	36,764	38,311
Group profits	6,096	6,081
Bank and loan interest	3,444	4,027
Profit before tax	2,652	2,054
Corporation tax	1,415	906
Net profit	1,237	1,138
Minorities	397	343
Attributable	840	613

● comment

Progress by its industrial subsidiaries is the main reason for continued recovery at London Merchant Securities. In particular, Haddon-Oldham, the battery manufacturers, have raised profits by £1m. and £2½m., nearly equalling the growth of Ever Ready. Interest charges are well down because disposals have enabled short-term loans to be reduced from £47.8m. in March, 1975, to £32.0m. in March this year. Since that time, at least another £6m. of property has been sold and the Beaverbrook stake has gone for £1.4m. But if industrial growth has contributed so much, it follows that the property interests must have been flat despite interest savings, possibly because of increased expenditure on development (which LMS does not capitalise). The second half and following year should bring improvement here from new lettings and still falling interest charges. There is no guarantee that the dividend will return to its highest level this year, but if it did the yield would be an attractive 9 per cent. at 26p.

W'hampton & Dudley 23% rise

ON TURNOVER up by 31.5 per cent. from £26.5m. to £34.86m., pre-tax profits of Wolverhampton and Dudley Breweries for the year to September 30, 1976, rose 23 per cent. from £4.21m. to £5.19m. Mr. E. J. Thompson, chairman, forecasts further continued growth in the current year.

Stated earnings are 15.4p (12.5p). The final dividend of 3.63574p net per 25p share lifts the total from 4.66885p to 5.13574p.

Half-time pre-tax profits rose from £1.84m. to £2.26m.

	1976 £000	1975 £000
Turnover (exc. VAT)	34,857	26,496
Profit before tax	5,185	4,213
Tax	2,696	2,196
Extraordinary credits	179	253
Net profit	2,668	2,272
Ordinary dividends	829	754
To reserves	1,839	1,518

The summer of 1976, which followed a very successful winter's trading, has produced record results for the 777 public houses and off licences of the group, which trade under the Bank's and Hanson's labels, says Mr. Thompson.

● comment

For a change, a 1976 beer story with no emphasis on lager! The growing favour of real ale is reflected in the fact that at Wolverhampton and Dudley Breweries traditional milds and bitters sold well during the summer, notching up a 23 per cent. pre-tax increase. So the mid-term growth has been maintained, then a 1p a pint price increase and a strike at an important competitor, produced a similar result. Beer sales are proving resilient to the unemployment in the Midlands, so that the increased penetration into working men's clubs and the pub improvement programme should mean further growth next year. At 103p the 23 per cent. increase in earning brings the p/e down to 6.5, fairly low for the sector. The dividend yield is 8 per cent.

Upsurge at Burnett & Hallamshire

A JUMP from £623,702 to £1.05m. in group pre-tax profits is reported by Burnett and Hallamshire Holdings for the six months ended March 31, 1977, on a turnover £2.25m. higher at £12.06m.

Earnings per 25p share are up from an adjusted 6.03p to 9.97p. The interim dividend is effectively raised from 1.16174p to 1.2779p net—the total for 1975-76 was equal to 2.32348p paid from profits of £1.87m.

The net profit was *£0.5m.* (£0.29m.) after tax of £0.55m. (£0.32m.).

● comment

Burnett and Hallamshire's opencast mining division can take credit for roughly half of the 68 per cent. rise in half-year pre-tax profits. This reflects a continuation of the benefits from two new sites which first came into production in the second half of last year. The rest of the improvement stems from the increased market penetration of Hallam GT plus a substantial recovery at Hallam Polymers. The construction division has remained roughly unchanged so far and seems likely to do no better in the second half. All the same, the orderbook here is fairly strong and should take the group at least three-quarters of the way through next year. Moreover, with a further boost expected from the two new mines in the second half, full-year profits should reach £2½m., to cover a maximum yield of 6.9 per cent. at 58p, more than nine times; and that, along with a £1½m. net cash surplus in the balance sheet, should provide adequate support for the shares.

Fairdale Textiles

WHOLESALE manufacturing clothiers and cloth merchants, Fairdale Textiles reports that for the half year to July 31, 1976, pre-tax profits fell from £160,509 to £137,412 on turnover £0.38m. lower at £2.17m.

Stated earnings per 5p share are 1.06p against 1.25p and the interim dividend is held at 0.3p net. Last year's total payment was 0.945p on profits of £333,030.

First half tax takes £71,500 (£83,500) and £45,457 (£56,564) is retained.

Freddie Mansfield

Mr. Nigel Broackes, chairman of Trafalgar House Investments (standing), with Mr. Victor Matthews, chairman of the subsidiary, Cunard Steam-Ship. The group's figures were announced yesterday, showing an advance from £22.2m. to £33.6m. in the pre-tax profit for 1975-76.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corresponding div.	Total for year	Total last year
B. Fertleman	int.	‡0.55	Jan. 14	0.5	—	1.14
Cattles Hldgs.	int.	0.45	Feb. 7	0.4	—	0.94
Mitchell Somers	int.	0.55	Feb. 7	0.43	—	1.28
Keystone Investment		3.5	Feb. 4	3	4.85	4.25
Liner Concrete		0.67	Feb. 19	0.4	1.17†	0.64
Fairdale Textiles	int.	0.3	—	0.3	—	0.95
Shaw Carpets	int.	0.88	Jan. 31	0.88	—	2.22
Marley		1.23	Mar. 10	*1.03	*2.33	*2.08
GUS	int.	3.23	Mar. 31	2.94	—	6.66
Graham Wood Steel	int.	0.56	Mar. 25	0.56	—	1.76
Burnett & Hallamshire	int.	1.28	—	*1.16	—	*2.32
James Latham	int.	3	Jan. 20	2.75	—	7.52
United Gas Inds.	int.	0.81	Jan. 17	0.65	—	2.03
Hongkong (Selangor)	int.	0.34	Jan. 28	0.17	—	1.03
Associated Television	int.	2.28	Mar. 22	1.83	—	4.3
Braham Millar	int.	0.6	Feb. 18	0.43*	—	1.49*
Baker Perkins	int.	1.65	Feb. 11	1.5	—	3.5
British Tar	int.	0.17	Feb. 11	0.16	—	1.47
Castlefield (Klang)		1.85	—	1.68	2.27	2.06
J. A. Devenish		3.65	—	3.3	5.28	4.8
Killinghall (Rubber)		5.14	Feb. 9	4.67	6.39	5.82
Holyrood Rubber Co.	int.	4.52	Jan. 28	4.11	—	22.12
London Merchant Secs.	int.	0.38	Feb. 1	nil	—	0.38
Lloyds & Scottish		2.13	Feb. 2	1.97	3.58	3.23
Normand Electrical	int.	0.95	Jan. 25	0.87	—	2.32
Northern Goldsmiths	int.	0.85	Feb. 16	0.67*	—	1.72*
North Midland Const.		0.65	Feb. 3	0.65	1.1	1.1
Pegler-Hattersley	int.	2.85	Jan. 31	2.55	—	6.28
Ransome Hoffmann		2.13†	—	1.94	3.44	3.13
Redfearn Glass		3.07	Feb. 10	2.71	3.95	3.59
Routledge & Kegan Paul	int.	1.0	Mar. 18	1.0	—	3.4
Sterling Inds.	int.	0.25	April 1	0.2	—	0.7
Trafalgar House		2.31	Feb. 3	2.1	4.62	3.46
Vaal Reefs		60§	Feb. 4	100	110	175
Western Deep		45§	Feb. 4	80	90	147.5
Wolverhampton Brews.		3.64	Jan. 28	3.37	5.14	4.67

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Gross throughout. § Cents throughout.

Cadbury Schweppes £40m. medium loan

Cadbury Schweppes has arranged a medium term loan of £40m. with a group of British and foreign banks. Cadbury, which had a rights issue to raise £25m. in May, 1975, is to use the cash mainly to finance capital expenditure in the U.K., though there are no new major projects in mind at present. It was announced in October that the chocolate biscuit factory in Moreton, Liverpool, was to be redeveloped at a cost of £5m.

The group may also use some of the money to reduce U.K. currency borrowings, though it stressed that it was under no pressure to do so.

The loan, which is for a maximum *period of ten years, will not* all be drawn down at once and it is not anticipated that there will be a disproportionate jump in the interest charge in relation to profits.

The last balance sheet, for the year ended January 3, 1976, showed net debt of £71.3m. The £40m. of medium term money is expected to inject more balance in the group's borrowings.

Heading the syndicate of banks are Kleinwort Benson and Samuel Montagu. The other participants are Lloyds, Barclays Merchant Bank, Midland, National Westminster, Chemical Bank, Crédit Lyonnais, Deutsche Bank, Manufacturers Hanover Trust, Morgan Guaranty Trust, Grindlays Bank, The Royal Bank of Canada and Toronto Dominions Bank.

Mr. James Forbes, chairman, of Cadbury Schweppes, said yesterday that "The City has been criticised from time to time as being unwilling to lend medium-term money to industry. This Cadbury Schweppes loan, therefore, has certain encouraging features, as not only have the British Banks lent sterling to us but overseas banks have been associated with them. The City responded in a most constructive and helpful way in our discussion on the loan."

Sterling Industries

In the six months ended September 30, 1976, profits of Sterling Industries—excluding Crewkerne Investments — improved from £231,000 to £261,000. The proportion of Crewkerne's profit attributable to Sterling was unchanged at £90,000.

Present indications are that profits will continue to run at about same rate as in the first half but the final result will depend upon the value of despatches, in particular relating to large contracts made by March 31, 1977.

The proportion of profits of Crewkerne attributable to the company for the year 1976-77 is estimated to amount to £170,000 before tax of £60,000.

Turnover of this engineering group was lower at £1.8m. against £1.99m. The profit was subject to tax of £136,000 (£120,000).

The interim dividend is raised from 0.195p to 0.25p net—the total for the previous year was 0.7p paid from profits of £662,000.

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Crewkerne incurred an increased loss of £162,681 for the 25 weeks to September 25, 1976, compared with £55,358 for the corresponding period. For the last full year a profit of £11,460 was reported.

After tax adjustment and charging depreciation the mid-term loss comes through at £189,182 (£119,120).

Barclays Bank International

AS FORECAST at the interim stage the results from Barclays Bank International in the second half were not materially different from those in the first six months. Pre-tax profit, which midway was £41.71m. against £31.53m., *reached £84.64m., compared with* £72.36m., for the year ended September 30, 1976.

The increase in operating profit, from £72.07m. to £86.89m., is satisfactory, particularly since the majority of it is represented by genuine growth in business, says Mr. A. F. Tuke, the chairman. However, some advantage was gained from the decline in the rate of sterling against other major currencies, he points out.

Net surplus on realignment of exchange rates arising outside the company's normal trading activities amounted to £21.58m., against a deficit of £1.06m. last time. This sum has been added directly to reserves.

Caird (Dundee)

Due to the failure of one of its largest customer Caird Dundee

Lyons corrects overseas debt imbalance

FOLLOWING a series of sales of trading assets by J. Lyons to raise £80m., the repayment of £15m. of its overseas loans and the switching of a further £60m. of borrowings into sterling debt, the group's overseas net assets now exceed the value of foreign currency debt by more than £20m.

Yesterday's half-time statement adds that this action "will also ensure that an adequate margin will continue to exist between our borrowing powers and the sterling value of our debts even if sterling were to deteriorate in future by the same percentage that it has done over the past three years."

Total borrowings are now in the region of £250m., of which £144m. is in foreign loans. It is estimated that by the end of the financial year the total figure will be down to £220m., compared with around £240m. in the last balance sheet for the year ending March 26, 1976. Foreign loans are expected to be down to roughly £125m. Since the loans were arranged, sterling has slipped in relation to the dollar from 1.92 to 1.67.

Recent sales include the 35 hotels sold to Trust Houses Forte at the beginning of November for £27.6m. and Wednesday's disposals of the Wimpy franchise to United Biscuits for £7m. and the sale of Tetley Incorporated to Liggett Incorporated, the U.S. tobacco group, for a dollar sum equivalent to around £16.5m.

No further sales are imminent though it is expected that the remaining three hotels owned by Lyons will ultimately be sold. One of that number, the Tower Hotel, is expected to go by the end of the current year.

The disposals have been made so as not to reduce drastically shareholders' funds and the asset value per share is not expected to show a material change by the end of the year.

The half-year profit and loss figures of the group have been calculated on a different basis in order that they are more representative of a whole year's trading pattern. Previously, the seasonal nature of some of the Lyons businesses has tended to distort the picture. Subsidiaries with different financial periods from the parent are now included on a time apportioned basis.

On the new basis, turnover for the 24 weeks ending on September 10, was £340m., against a comparably adjusted figure of £301m. Operating profits were ahead at £16.8m., against just under £15m. But after interest payments and an exceptional debit of £1.7m. (there was a credit in the last interim of £3,000) the pre-tax figure was down to £4.6m. compared with £5.9m.

The exceptional item relates to the cost being borne of the new Carlton cake factory, which is not yet generating a full return. It is expected that the figure will grow in the second half of the year, but that it will disappear altogether next year as the Carlton profits come fully on stream.

The after-tax profits of Lyons for the 24 weeks emerge at £938,000 against £3.6m. last time. However, on the original method of accounting this figure would have been a loss of £2.4m. compared with a profit of £714,000 on the same basis.

The tax figure is proportionately much higher than in the corresponding period, mainly because there is no way to offset the heavy tax charge on the successful overseas operations. There is a tax loss situation in the ...

Mr. B. L. Salmon, the chairman, tells shareholders "The decision to correct the overseas debt imbalance will have an adverse effect on the profit and loss account particularly ... sterling interest rates re... their present abnormal levels. Thus, while the ... profit of the group for the ... of the year is expected ... an improvement in line ... trend reported to-day, ... be more than offset by the burden of high interest ... of overseas taxation."

The Board has declared an interim dividend of 2.0... share which, together with ... credit, amounts to 3.134p ... of the dividend "is not ... to indicate any commitment ... year-end when the position ... be considered in the light ... information then available."

See Lex

Recovery at Shaw Carpets

TUFTED CARPET manufacturer Shaw Carpets reports profits for the six months to October 29, 1976, more than doubled from depressed ... to £258,000, on sales ... £8.17m. to £10.15m. Current ... continue at a higher level ... a year ago, the directors ... but in view of the present ... culties and uncertainties ... view the outcome for ... cautiously.

The interim dividend ... tained at 0.875p net per ... The total last year was ... from profits of £746,700.

Sales; Trading profit; Depreciation; Interest; Profit before tax; Deferred tax; Preference dividend; Available; Interim Ordinary

† Includes direct exports (£1,584,080).

Mr. James Hartley, ... says the installation of ... pany's Millitron computer-controlled patterning machine is now complete. The ... represents the next generation of carpet patterning equipment ... the products from it will ... market from the ... existing range, he adds.

Black Forest, the first ... from the Millitron, has been received by the trade, ... pany intends to increase ... of Millitron products in the ... although benefits will not ... be realised until next ...

...arley jumps to ...ak £18m.

...ECOND HALF of ...ts. of Marley, the ...ucts group, moved ...n. to £10.62m. bring- ...for the year ended ...76 up to £18m. This ...h £11.47m. for the ...g and represents ...ull recovery of the ...5.1m. achieved in

...ar's increase the ...oution came from ...ere the figure ...n £0.7m. to £4.01m. ...n. (£.66m.) accrued ...half. In the U.K. ...f produced £7.27m. ...ing the year's total ...gainst £10.77m.

...25p share are up ...1.8p. The dividend ...ised from 2.02703p ...t, with a final of

	1975-76	1974-75
	£000	£000
	202,913	150,596
	10,434	13,538
	2,370	2,319
	17,264	12,243
	746	222
	13,105	10,706
	4,905	702
	18,010	11,470
	400	364
	2,664	[illegible]
	2,334	776
	12,412	6,345
	579	556
	11,913	[illegible]
	—	378

...the trading profit ...lus on conversion ...ncies amounting ...0).

...arge has been ...following:—U.K. ...n relief—a reduc- ...excess of U.K. ...s over deprecia- ...n of £1.6m.; and ...in France.

...s are 57 per cent. ...st two-thirds of ...is due to a sharp ..., where second- ...running at £3.4m. ...year ago. Eire ...contributed ...n ...Germany swung ...ound £0.4m. The ...has continued ...has now been ...al company and ...it will at least ...ear, against this ...1.2m. At home ...has been less ...second-half U.K. ...er cent. ahead. ...up 23 per cent., ...8 per cent. re- ...owth. Sales at ...e up by a fifth ...the depots rose ...Extrusions and ...ogether ch... ...ut the building ...local authority

cutbacks. Marley's share price has underperformed the market by almost a third over the last year and the prospect of a sharp drop in housing starts in 1977 and a squeeze on discretionary consumer spending, which could hit the home improvement business, will continue to overshadow the shares, which at 38p yield 9.0 per cent.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

Interims—AGB Research, Arlington Motor, Clarke, Nickolls and Coombs, Dorman Smith, Lennons, Milbury, Robert Moss, Norcros, Philips' Lamps, Jonas Woodhead.

Finals—Bucco Dean, Crystalate, Dunford and Elliott.

FUTURE DATES

Interims—

Beechwood Construction	Dec. 14
Boardman (K. O.) International	Dec. 14
Durapipe	Dec. 17
Empress Services	Dec. 16
General Engineering (Radcliffe)	Dec. 17
Jackson (J. and H. B.)	Dec. 16
Linfood	Dec. 16
Henderson-Kenton	Jan. 25
Toothill (R. W.)	Dec. 20

Finals—

Trans-Oceanic Trust	Dec. 13
United Spring and Steel	Dec. 14

J. Latham well up half time

TURNOVER OF timber merchants James Latham for the half-year to September 30, 1976, improved from £9.79m. to £13.43m., and pre-tax profit almost doubled from £406,000 to £802,000. The directors note that the cost of short-term borrowings has recently increased, but they anticipate a reasonable result for the year as a whole.

The interim dividend is stepped up from 2.75p to 3p net per £1 share. Last year's total was 7.52p from profits of £948,447.

There was a deferred tax charge for the half-year to £416,000 (£211,000).

The directors state that there has been a useful addition in volume terms to group sales which has helped to offset increased costs.

Turnover in October and November has been well maintained, they add, but there are considerable uncertainties as to volume of customers' requirements in 1977.

...better second half

...etc. makers ...n Pollard has ...ecovery in the ...ing in profits ...October 1, 1976, ...at £5.12m.

...s were £1.76m., ...the directors ...an improving ...w hopeful that ...book on hand ...profits in the

...re in the year ...£4m.

	1976	1975
	£000	£000
	78,391	63,395
	6,878	6,555
	1,248	1,009
	5,325	5,882
	3,760	3,038
	42	*25
	79	—
	2,322	2,749
	921	828
	1,401	2,114
	£m.	£m.
	20,600	17,800
	21,500	16,600
	27,000	22,000
	8,700	7,800
	6,100	3,200

...-76 rose from ...MTE, which ...early part of the year, contributed £6.16m. to turnover and £1.34m. to profits.

On capital increased by a rights issue, the final dividend is the promised 2.13p, to raise the total from 3.128p to 3.44p net. Earnings came to 9.4p (14.3p) and to 7.1p (11.3p) fully diluted.

● comment

On a comparable basis, RHP is a third lower pre-tax while earnings per share overall have suffered a slightly bigger setback, fully diluted. But the second half of 1975-76 has been much better than the first with margins over the year roughly doubling, and RHP is relatively hopeful about the profits outlook in 1976-1977. Last year sales volume dropped by around 3 per cent. (again excluding MTE). But that was after a decline of an eighth or so in the first six months and capacity utilisation is now up to 85 per cent. against 73 per cent. running for most of the first half year. Clearly RHP is still feeling its way ahead tentatively; but thanks to May's rights issue the balance sheet is still in solid shape with a debt to equity ratio of 1:2.5. At 50p, yield is a well covered 11 per cent.

GUS £5m. ahead after 26 weeks

WITH A jump of £5.14m. Great Universal Stores recorded profits before tax of £46.08m. for the half year to September 30, 1976. Turnover for the period finished £74.52m. in front at £488.24m.

First half earnings per 25p stock unit are shown to have risen from 8p to 8.90p and, at a cost of £8.03m., the interim dividend is increased from 2.9375p to 3.23125p net. Last year's total payment was 6.6575p from profits of £98.35m.

	Half-year 1976	1975
	£000	£000
External turnover†	488,236	413,712
Depreciation	4,536	3,961
Profit before tax	46,076	40,940
Tax	23,675	20,950
Minorities	20	75
Preference dividends	35	35
Attributable	22,346	19,880

† Including VAT £34.08m. (£28.72m.).

Provisions for unearned profit, service charges and collections costs were £73.31m. (£67.43m.) at March 31 and £79.72m. (£67.56m.) at September 30.

See Lex
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Liner Concrete advances

SALES SLIPPED from £7.17m. to £6.2m. for Liner Concrete Machinery in the 53 weeks to September 4, 1976, but pre-tax profit increased 14.9 per cent. to reach a peak of £701,732, against £610,916.

A final dividend of 0.67p net (0.4035p) per 10p share makes the total for the year 1.17p on capital increased by a rights issue, the maximum permitted (0.6435p). Earnings per share improved to 3.01p (3.60p).

The current year has started well for the company and its wholly owned subsidiary Liner-Croker with orders substantially higher than the same period of last year, say the directors. Ferguson Industrial Holdings has a substantial interest in the company.

Meeting, Newcastle, February 17.

	1976	1975
	£	£
Sales	6,198,268	7,174,382
Pre-tax profit	701,732	610,916
Taxation	368,170	321,595
Net profit	333,562	289,321
Dividends	112,329	46,332
Rights issue cost	16,149	—
Overseas Contract	—	†14,976
Retained c/forward	731,494	545,462

† Debit.

Aeronautical & General progress

Profit before tax surged ahead to £133,227 against £53,240 at Aeronautical and General Instruments for the half year to September 30, 1976. Sales were up from £1.31m. to £1.51m.

The tax charge of £66,613 (nil) left the net balance higher at £86,614 (£53,240).

The company's liquidity position is satisfactory and while profit performance in the second half might not equate with the first six months, for the year as a whole it is expected to show a significant improvement on last year's £191,098, say the directors.

Tax allowances brought forward, have been largely absorbed and therefore provision has been made for tax on profit, the directors state.

UGI ahead £145,000 at midway

AN IMPROVEMENT of £145,000 to £507,000 in pre-tax profits is reported by United Gas Industries for the six months to September 26, 1976. Profit for the last full year amounted to £1.16m.

Net interim dividend per 25p share is lifted from 0.65p to 0.8125p. Last year's total was 2.0313p.

	26 weeks 1976	26 weeks 1975	Year 1975-6
	£000	£000	£000
Sales	16,089	14,641	33,531
‡Trading profit	706	566	1,561
Interest payable	199	204	405
Profit before tax	507	362	1,156
Tax	264	170	509
Net profit	243	192	647
Extraordinary debit	—	72	178
Available	243	120	469
Pref. div.	45	45	90
Attributable	198	75	379
Interim div.	75	60	60
Final	—	—	127

Commenting on the half year the directors say that results are adequate in difficult trading conditions, and appliance companies, Berry Magicoal and Robinson Willey, have done rather better than expected.

The sale of the group's Bradford based cabinet company has been successfully completed, without further loss.

In general, the continental subsidiaries have traded satisfactorily, and the movement in the exchange rate has produced additional profits.

The German subsidiary, Pintsch Bamag, is at present manufacturing a large order for the supply of gas conditioning and regulating stations scheduled for delivery in 1977 and 1978. The order is a follow on to the contract which was completed in January this year. The incidence of large contracts inevitably distorts comparison between one year's results and the next, so although the directors are confident of earning "substantial" profits in the next two years, the accounts for the half year include a small loss in respect of this company.

Redfearn Glass tops £3m.

SECOND HALF profits of Redfearn National Glass increased from £0.97m. to £1.83m. to take profits up from £1.48m. to £3.06m. for the 53 weeks ended October 3, 1976.

Earnings per 25p share rose from 10.82p to 23.06p. The dividend is lifted from 3.588p to 3.946p, with a final of 3.071p.

Sales in the period increased from £27.15m. to £34.89m. The net profit emerged at £1.41m. against £0.66m., after tax of £1.65m. (£0.82m). The retained figure is £1.16m. (£0.43m.).

● comment

By the end of March this year demand for glass containers was beginning to falter but the prolonged heatwave for the summer months provided a sufficient boost to keep Redfearn National Glass's profits moving rapidly ahead. The full year profits have more than doubled pre-tax. Bottle producers view their market as an expanding one at the moment and Redfearn's plans to spend £5¼m. on new plant in 1976-77 (compared to £2¼m. last year) reflects this confidence. However, the success of this move appears to depend on whether glass containers will be able to steal some market share away from cans, a prospect which is still far from certain at the moment. In the meantime though, Redfearn still holds a very substantial share of the existing bottles market, and its balance sheet is now much stronger than at the end of 1974-1975. The short-term position has changed from debt of £1¼m. to cash of around £1m. Thus, the shares at 81p, yielding 7.8 per cent. (in line with Rockware) covered 5.8 times, should have a firm base.

Mid-term rise for Routledge & Kegan Paul

Book publishers Routledge and Kegan Paul expanded pre-tax profit from £84,000 to £153,000 on sales only slightly higher at £1.25m. (£1.21m.) for the six months ended September 30, 1976. Earnings per 25p share were higher at 6.3p (3.4p) and the interim dividend is held at 1.0p net. Mr. N. Franklin, the chairman, is to waive his rights on 161,377 shares. Last year dividend payments totalled 3.3p.

The directors say that while favourable conditions for the first half have produced the substantial rise in profit they cannot necessarily assume that these conditions will continue in the second half, but they expect better out-turn than last year when profit totalled £0.24m.

After tax of £80,000 (£44,000) the net balance attributable to members for the first six months was £73,000 (£40,000).

In October Camellia Investments increased its holding in the company to over 30 per cent.

Margins cut at Fertleman

As forewarned, pressure on margins resulted in a cut in pre-tax profit of furniture manufacturers B. Fertleman and Sons for the half year ended September 30, 1976, from £262,238 to £146,385. Turnover expanded from £1.81m. to £2.15m.

Margins have improved, and current indications suggest that second half profits will show a substantial improvement, says Mr. L. Fertleman, chairman.

The interim dividend is 0.55p gross per 20p share, against 0.5p. Last year's total was 1.14p, and profits £503,372.

	Half year 1976	1975
	£	£
Turnover	2,154,520	1,809,750
Profit before tax	146,385	262,238
Taxation	76,000	137,000
Net profit	70,385	125,238
Interim div.	7,318	6,647

On the modern furniture side, the new designs were well received at the autumn showing in London, and other established lines are continuing to sell satisfactorily. The new factory for reproduction furniture is now on stream and order books remain most encouraging, Mr. Fertleman says.

He adds that the export position continues to improve, and he sees no reason to change his forecast that overseas sales this year will exceed £1m. for the first time.

Green Shield in profit

The Green Shield Trading Stamp Company, which ran into its first loss for 11 years in 1974 as a result of the petrol crisis, made a pre-tax profit of £2.2m. last year. Sales, which had fallen by £6m. in 1974, rose last year from £48.1m. to £68.7m.

Despite the recovery, however, 1975 profits were still below the level reached before the petrol shortage led to a big fall in the number of garages giving stamps, and the company, which is almost entirely owned by its founder, Mr. Richard Tompkins and his family trusts, will not be paying a dividend for the second year running. The unappropriated profits of £1.7m. are being carried forward.

The company said it expected turnover this year to show a good increase and that overall results would compare favourably with those of last year.

Though fewer garages were giving trading stamps in 1975 than before the petrol crisis, the fact that many were giving multi-fold stamps meant that Green Shield's turnover in petrol stations increased last year. As a result, the petrol business again accounted for 40 per cent. of total turnover, having slipped to under 30 per cent in 1974.

The food business also grew last year, largely because the rate of stamp issue is geared to the value of products sold and with inflation running at a high level, this boosted Green Shield's grocery turnover.

Following the trading loss of £686,000 in the 12 months November 1974, the company cut back on both its investment and staff. But it is confident that the business will continue to grow. Ideally, Green Shield would like garages to issue stamps in the same way as the grocers. This would mean their petrol business increased in line with prices.

£11m. profit rise by Trafalgar

IN THE second half of 1975-76 profits of Trafalgar House Investments expanded from £12.39m. to £19.56m. boosting the total for the year ended September 30, 1976, up to a record £33.62m. — an increase of £11.4m. on the previous year.

Because of a recovery in areas of the property market concerning the group, there is no provision this time in respect of housebuilding and property developments for sale, whereas the 1974-1975 profit was reduced by £4.7m. in this respect. The net balance attributable to Ordinary holders emerges ahead from £14.41m. to £21.77m. — earnings per 20p share are stated at 14.4p (11.4p) basic and at 14.2p (11.2p) fully diluted.

The dividend is raised from 3.46p to 4.62p net, with a final of 2.31p.

	1975-76 £000	1974-75 £000
Turnover*	449,000	383,000
Property income	3,447	3,717
Investment†	8,029	3,773
Contracting engineering and housebuilding	14,758	8,762
Shipping and hotels*	9,378	11,262
Making	37,619	31,354
Provision†	—	4,700
Interest charged	3,995	4,440
Revenue before tax	33,615	22,194
Tax and equalisation	11,765	7,769
Minorities	295	281
Extra-ord. credits	70	35
From reserves§	132	215
Net revenue	21,767	14,414
Dividends	7,117	4,846
To revenue	14,650	9,568

* Includes overseas £200m. (£159m.). Includes profit on land sales £119,000 (£97,000), profit on sales of cargo ships £1,725,000 (£214,000) and write-back of depreciation on containerships nil (£972,000). † In respect of housebuilding and property developments for sale. § Transfer from reserves regarding development properties.

A deficit of £16m. (£10.8m.) arising on fluctuations of exchange rates relating to the group's foreign currency assets and liabilities has been charged to reserves.

Mr. Nigel Broackes, chairman, said yesterday that 1976-77 prospects were "reasonably encouraging."

On the subject of group borrowings, he remarked "our overseas assets are greater than our overseas debts.

"We will complete the transition over five years from being a highly geared company to being an undergeared company. This is fully programmed through cash flow from purely routine operations. Property or ship sales would be in addition.

Now the group had the Maritime Fruit ships the chairman said we are free to make some sales from our existing fleet of one or two ships which are not profitable. We will do this over the next two and a-half years.

The group has already announced it is getting out of property investment. "We are under no pressure but it is a fair bet that we will make £50m. sales within two to three years," said Mr. Broackes.

Referring to the QE2 the chairman said that the ship was a most remarkable foreign currency earner—nearly $50m. a year. There were two mishaps in 1975-1976 which cost £2m. but she still made a profit.

Talking about the group's takeover policy Mr. Broackes said that he was extremely hesitant to go for a big bid right now. Share prices were too low which makes it difficult for a British bidder, and also the situation on Monopolies Commission references was obscure. Given a coherent policy he was sure that a number of big bids would "see the light of day."

The company was considering changing its name back to the original Trafalgar House.

See Lex

First half headway at Pegler

TAXABLE profit of Pegler-Hattersley expanded from £5.52m. to £7.28m. and the directors say that the order book is sound and the outlook for second half encouraging. It is anticipated that the annual result should be somewhat better than last year's £14.74m. The group's liquid position is good.

Half-yearly earnings per 25p share are shown to be up from 9.5p to 12.2p and the dividend is stepped up from 2.55p to 2.85p net—last year's final was 3.706p.

The group operates as manufacturers of domestic plumbing and heating fittings, industrial valves and general industrial products.

	Half-year 1976 £000	1975 £000
Sales	36,398	32,319
Metal appreciation	425	*50
Pre-tax profit	7,284	5,522
Tax	3,715	2,878
Retained	2,730	1,885

* Deficit.

● comment

Within Pegler-Hattersley's trading profits decline of a fifth there are two main features: the engineering valve side experienced lower volume against buoyant sales a year ago, while the building supplies division (a quarter of sales) is obviously going through a thin time. However, a doubling of associate income and a £278,000 turnround in interest charges has lifted pre-tax profits by 18 per cent. The main boost to associates has come from McEvoy Oil Field Equipment which is benefiting from a higher level of worldwide activity. Sales to North Sea developers are under a tenth of the total so any slowdown here is not significant. With over half of total profits originating overseas P-H is hopeful of continued profits growth and estimates of over £15m. (before metal stock appreciation) look realistic. So earnings of around 25p look on the cards for the year giving a prospective p/e of 5.2, at 132p while the yield is 8.2 per cent.

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British Tar setback

MAINLY REFLECTING higher interest charges—up from £8,518 to £72,121 — pre-tax profits of British Tar Products fell from £546,876 to £441,236 in the six months ended September 30, 1976.

The directors explain that the interest charge reflects the time in the group's business cycle when a major investment programme is nearly completion but is not yet revenue producing. The present programme, in chemical manufacturing facilities, will, however, be finished by the end of 1976 and will be making a contribution to profits and a positive cash flow in the last quarter of the current year.

The directors stress that without institutional support in recent years, particularly from ICI pension funds, the investment programme pursued would not have been possible. This support is continuing, which will enable the group to embark on a new capital programme at its Cadishead and Oswaldwistle sites next year.

Demand for the group's chemicals has been steady, although margins have been eroded due to rapid cost increases. The efforts being made to reverse this trend include the introduction of new plant and greater emphasis on exports.

The merchanting division was steady in the first half-year, but from September performance has improved, largely due to increased exports.

First half turnover showed an increase from £4.81m. to £6.04m.

The net profit came through at £211,793 against £262,500, after tax of £229,443 (£284,376). Basic earnings per 10p share are 2.09p (2.71p) or 1.74p (2.27p) fully diluted. The interim dividend is raised from 0.1373p to 0.17303p net—the total for 1975-76 was 1.4691p paid from profits of £1m.

● comment

The half-time results at British Tar Products are overshadowed by the major changes due at the year end. The £1m. investment programme should have started to come on stream by then, but interest charges will be higher due to the recent £1½m. Convertible issue. In the meantime, turnover has almost recovered to 1974 levels, but margin erosion has continued, partially as a result of the carrying costs of the development programme and partly because of chemical cost increases of 16 per cent. in the period. The volatile trading division is benefiting from the weakness of the Pound which is improving competitiveness overseas for organic intermediate chemicals, while exports should represent 40 per cent. of sales by the year end. The prospective maximum dividend would yield 9.3 per cent. at 27p.

Baker Perkins midway advance

THE IMMEDIATE outlook for Baker Perkins Holdings is satisfactory and Mr. I. H. G. Gilbert, chairman, reaffirms his confident expectation that the year to March 31, 1977 will show a real advance in sales and profit.

In the first six months ended September 30, 1976 profits have jumped from £1.59m. to £3.35m. on sales ahead from £31.45m. to £36.49m. After tax £1.7m. (£0.44m.) minorities £92,000 (£14,000 loss) and taking in extraordinary items of £2.16m. against £0.74m., the attributable balance emerges at £3.72m. (£1.91m.).

The interim dividend is raised from 1.5p to 1.65p net. The total for 1975-76 was 3.5p paid from profits of £4.45m.

Borrowings have been materially reduced, and this accounts for a lower interest charge of £251,000 (£706,000). The extra-ordinary items represent a surplus on conversions into sterling of net assets held in foreign currencies.

Despite unsettled or depressed conditions in a number of markets, the chairman reports that orders generally are being taken at a satisfactory rate and for the first eight months of the year the total value is ahead of forecast. Most factories have a good head of unexecuted orders.

Looking further ahead, the world economic problems and uncertainties cannot be ignored. Optimism, therefore, must be tinged with caution, says Mr. Gilbert.

	Half-year 1976 £000	1975 £000
Sales	36,490	31,452
Home	10,075	5,413
Export	12,051	10,899
Overseas manufacture	14,334	17,171
Trading profit	3,333	2,163
Investment income	236	129
Interest	251	706
Profit before tax	3,354	1,589
Taxation	1,700	477
Net profit	1,654	1,132
Minorities	92	†14
Extraordinary credits	2,162	743
Attributable	3,724	1,909

† Loss.

● comment

Again the profits surge at Baker Perkins was due more to management action than any upswing in demand. Behind the more-than-doubled pre-tax profits lies continued recovery in the U.S. (where the half-time contribution was more than the whole of last year's and the total could be £0.7m.), higher export margins, loss elimination on the printing side, and a two-thirds reduction in interest charges. Of course, the £2.6m. raised in the January rights issue helped. But although the shares have shown relative strength since then, they hardly take account of the new arithmetic. BP could reach profits of £7m. this year in which case they would have increased 2.6 fold in two years. But the prospective p/e of 4.3 at 58½p is a third below the average for the general engineering sector, and the maximum yield of 10.4 per cent. is two points higher than the average.

Normand slumps at half-time

THE FORECAST expansion of the order books of Normand Electrical Holdings did not continue as rapidly as had been expected and this slackening of demand resulted in pre-tax profits dropping from £540,000 to £223,000 for the 28 weeks to September 11, 1976.

However, the directors report that over the last two and a half months a strong and continuing upsurge in receipt of orders has taken place. This will be reflected in profitability and profit for the full year should be in excess of £800,000. Last year's profit was £761,000.

The net interim dividend is raised from 0.8663p to 0.9529p net. Earnings per 20p share are 1.2p (4.2p). Last year's final dividend was 1.4559p.

The company operates as manufacturers of electrical motors, electric geared motors and electronic marine equipment.

	28 weeks 1976 £	1975 £
Trading profit	306,000	578,000
Interest	83,000	38,050
Profit before tax	223,000	540,000
Taxation	135,000	282,000
Net profit	88,000	258,000
Dividend	68,611	62,370

Cattle's growth trend continues

CONFIRMING trends of the last 12 months pre-tax profit of Cattle's (Holdings) advanced 55 per cent. from £338,000 to £526,000 in the six months to September 30, 1976. And Mr. Roy Waudby, chairman says that current indications are that full year's profits will show a satisfactory increase over last year's £975,000.

The net interim dividend is increased from 0.4p to 0.43p net per 10p share—last year's final was 0.5446p.

	Six months 1976 £000	1975 £000
Turnover	13,400	11,100
Trading profit	603	354
To deferred revenue	77	†14
Profit before tax	526	338
Tax	274	176
Net profit	252	162
Interim dividend	70	62
Retained	182	100

† From deferred revenue.

Turnover for the half-year is up 20 per cent., of which approximately 5 per cent. is in respect of acquisitions in the last 12 months.

The increase in interest rates in September and October will undoubtedly hit the company's budget because with a large proportion of turnover being in short term consumer finance it is not always practical, or desirable to adjust the rates charged to customers. Some adjustment to rates in respect of longer term business has been made but this will not compensate for the increased cost of borrowings, reports Mr. Waudby.

However, borrowings have been kept within strict limits and are only slightly ahead of last year's level, despite financing the acquisition of the J. H. Stobbs group of companies, Bristol Clothing and Sunniv Co. (Glasgow), Hadrian Commuter Services, C. G. Pevan and more recently branch offices at Bridlington and Scarborough purchased from North British Supply Co. The cash outgoings involved in these acquisitions over the past 12 months exceeds £300,000, he adds.

The company's interests are in check and credit trading, etc.

Yorkgreen

Annual accounts for Yorkgreen Investment Trust, in which Midlands landowner Mr. David Green bought a 29.8 per cent. stake from clients of the Italian International Bank, are to be delayed until early January.

The Board explains that the auditors of Interlite Laser Controls, in which Yorkgreen took a 50 per cent. stake in part settlement of debts due from the failed Heenan Spark group, "are not yet in a position" to complete the audited accounts which were due to be submitted before the end of this year.

Therefore the annual meeting fixed for December 31, will be adjourned until the accounts are ready. However, an extraordinary meeting is to be held on the same day to approve a new investment management contract. Bishopsgate Progressive Unit Trust managers, operated by brokers Kitcat and Aitken, were appointed investment managers when Mr. Green bought his stake. The group had capital losses of about £1.3m. to date.

SCOTT. EQUITABLE

The Scottish Equitable Life Assurance Society is lifting its intermediate bonus rate on its pension fund contracts as from January 1 next to £4.40 per cent per annum, from £4.00 per cent.

This increase will apply to self-employed retirement annuities, controlling directors and senior executive pension schemes, deferred annuities for employees and lifetime directors whole life assurance. But the intermediate bonus rate for ordinary life contracts will remain at £4.00 per cent.

The Society also announces that the Special Income Bonus for the six months to September 30, 1976, on the Scottish Equitable Investment Plan will be 15p per 100 units attaching at that date. The bonus will be used to purchase further units at the price obtaining on November 30, 1976. Statements of units purchased will be issued in January.

Rise at Lloyds and Scottish

FINANCE AND banking group, Lloyds and Scottish has turned in an increase from £13.1m. to £14.48m. in pre-tax profit for the year ended September 30 1976, after being ahead at £6.62m. against £6.06m. halftime.

Mr. G. Duncan, chairman, reports that group borrowing during the year increased by £47m. to £279m. largely due to the impact of recent acquisitions and the increase towards the end of the year in corporate finance business. Included in borrowing is £50m. (£48m.) repayable beyond one year. The borrowing ratio to shareholders funds rose from 4.5 to 5.1.

In the instalment credit and leasing division the group experienced slightly lower interest rates for most of the year. Initially there was a relatively flat demand for consumer instalment credit but this increased during the second half. There was a growing volume of c[...] finance business tied to [...]lished base rate, says Mr. [...]

On the industrial and [...]cial side there were hig[...] fits from distribution, [...] and recent acquisitions [...] had an impact on operat[...] particularly on TV renta[...]tions.

The dividend is raise[d ...] maximum permitted [...] 3.22615p to 3.53337p net [...] final of 2.13337p.

	1975-
Profit before tax:	
Group	11.2
Share of associates	3.2
Total	14.4
Taxation	7.6
Net profit	6.3
Minorities	.4
Attributable	6.8
Extra-ord. debits	.3
Leaving	6.8
Dividends	3.5
Retained	2.4

† Credits.

See Lex

RECENT ISSUES

EQUITIES

Issue Price p.	Amount Paid up	Latest Renunc. Date	1976 High	1976 Low	Stock				
—	F.P.	—	[illegible]	[illegible]	Esmark $US1	[illegible]	[illegible]	[illegible]	2.9
—	F.P.	—	31¼	28¼	Ind. Lederm...	[illegible]	[illegible]	[illegible]	2.4
—	F.P.	7/1	145	135	Willis Faber...	196	[illegible]	5.5	8.6

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

D DEALS

hards terms lequate

Muller, chairman Sheffield, tells t Imperial Knife, ompany, is not a r and the finan- holly inadequate. document, Mr. pre-tax profits of e year ending nore than a quar- evious year, and are of 3.44p up cause of a sub- e (37 per cent.) ccrued tax losses he recently ac- olstenholm. This fer then values y 6.1 times earn-

ussion has also hift the dividend to 1.5p for the ield 11 per cent.

also shows that ement between es has produced in the past two he potential in- tion represented isition may be a d.

fell 4p to 23½p above the offer

The Scottish group claims to hold about 45 per cent. of Gregory's capital, including some acceptances which depend on it declaring its offer unconditional.

This leaves only around 13 per cent. of the capital uncommitted. About 10 per cent. is held by the MLC Life Office and Falkiner has made an offer of A$1.20 a share for the parcel. If MLC accepts, Low and Bonar cannot reach 50 per cent. and has stated it will "regretfully" withdraw.

Low and Bonar is expected to make a statement to the London Stock Exchange to-day.

ONAR N BID

Low and Bonar Australian Stock its takeover bid group, H. P. Sydney Stock invoked a l by-law to pre- ockbrokers buy- s on the market w and Bonar. group declined comply with hange listing

Low and Bonar ing date of its hange require- ve disclosed the eptances. The requested the ow and Bonar l it did not have it was an over- not listed in

iar has been tle for control oldings, which ful partial offer ar, and already r cent. of that . Falkiner at formal bid out et it lapse leav- nar's offer of he only formal nd Bonar had s on the market to bolster its this avenue is e Exchange ban.

ASSOCIATES DEALS

On Tuesday, Rowe and Pitman, Hurst-Brown bought 70,000 Dunford and Elliott at 22.786p average for Johnson and Firth Brown.

Kien Huat Realty with associates bought 10,000 Golden Hope Plantations at 75p and 2,000 at 73.5p.

Albert E. Sharp sold on behalf of an associate 5,000 Maidenhead Investment (Holdings) at 26p.

Heron Corporation purchased 40,000 Ingersoll Group Ordinary shares at 40p.

Williams de Broe Hill Chaplin purchased a further 35,000 Kinloch (Provision Merchants) Ordinary shares at 228p on behalf of Booker McConnell.

HEAD WRIGHTSON

Davy International's terms for the Preference shares of Head Wrightson are 16 Davy shares for every 37 4.2 per cent. Head Preference and 12 for every 37 3.15 per cent. Preference shares.

The Head Wrightson Board unanimously recommends acceptance. The offers are conditional on the offer for the Head Ordinary capital becoming unconditional.

SHARE STAKES

Epicure Holdings announces that Lea Holdings has reduced its interest in the company by selling 100,000 Ordinary shares. Total holding is now 2,722,584 shares (37.4 per cent.).

Scottish Amicable Life Assurance Society and a subsidiary hold 1,526,230 Young Companies Investment Trust shares (23.48 per cent.).

Hutchinson International has increased its stake in A. S. Watson to more than 50 per cent. and thereby it becomes a subsidiary.

Amalgamated Industrials Holdings has acquired a further 130,000 Ordinary shares in Derritron bringing total holding to 9,534,046 shares (79.6 per cent.).

EXPRESS DAIRY

It is reported from Paris that Express Dairy group is considering selling part of its 75 per cent. stake in the French cheese company, Fromagerie Lutin, to a French co-operative group.

can icke

hants and man- ter Duncan and re-tax profit up 398,000 for the l September 30, r £1 share are 31.92p.

ides a surplus ents of £204,000 Net profit was £422,000 com- 0 in the similar

period of 1975 when extraordinary items added £429,000 against only £23,000 this time.

As reported on November 30, there will as last year be no interim dividend. The final payment last time was 10p net per share from a depressed profit of £343,228.

	Nine mths. 1976 £000	1975 £000
Turnover	5,226	6,124
Surplus on sale	204	†183
Pre-tax profit	398	184
Taxation	54	2
Minorities	37	18
Extraordinary credit	23	429
Net profit	422	547

† Deficit.

MINING NEWS

Alwest scheme goes ahead

BY PAUL CHEESERIGHT

WESTERN AUSTRALIA'S major bauxite-alumina project, Alwest, which has been nursed for seven years by the Broken Hill Proprietary subsidiary, Dampier Mining, and Mr. Rupert Murdoch's News Ltd., is to go ahead with Reynolds Metals of the U.S. and Alcoa of Australia, part of the Aluminium Company of America, as the principal partners.

Announcing the $650m. (£405m.) project yesterday, the Premier of Western Australia, Sir Charles Court, said, "In dollar terms this is the biggest single resource development project ever to proceed in Western Australia."

But the role of the original Alwest partners, BHP and News Ltd., in relation to Alcoa and Reynolds remains unclear from Sir Charles' announcement. They are mentioned only in connection with the provision of bauxite.

The project, said Sir Charles, was "made possible by the participation of the Alwest partners whose input of bauxite reserves at Mount Saddleback has ensured the long-term security." Initially the project will use bauxite from Alcoa properties, but there is provision for an exchange of bauxite from Alwest tenements. The Alcoa and Alwest deposits are in the Darling Range behind Perth.

Indeed, the respective shareholdings of Alcoa and Reynolds have not been specified either. Technically Australian Government guidelines prevent projects of this type being more than 50 per cent. foreign-owned. But the guidelines are generally being interpreted flexibly and Alcoa of Australia does have minority shareholdings from domestic sources: Western Mining, BH South and North Broken Hill.

Alcoa will be in charge of designing, building and operating the refinery, which will be built at Wagerup, some 70 miles south of Perth. The refinery's production is set initially at between 0.8m. and 1m. tonnes of alumina a year. This will be shipped out from Bunbury, where Alcoa already has facilities.

Preliminary work for the project will start early next year, and construction is expected to take a minimum of two years. When the venture comes to production there will be 600 full-time employees, while between 1,300 and 2,000 will make up the construction workforce. This represents for Sir Charles "part of a major lift-off in industrial development."

Since 1974 the state Government *has tried to help with* putting together a corporate package which would allow the project to start. BHP and News Ltd. found an early partner in Reynolds, but their plans fell foul of the Whitlam Government's foreign investment policy. This meant, according to Sir Charles, that the project could not "get off the ground in its original form."

The search for a new partner led to Alcoa, which had in any case options on land near Wagerup. And the devaluation of the Australian dollar has given the project a boost in revenue terms, although it was considered feasible at the previous parity of the Australian dollar.

BHP were 645p yesterday.

GOPENG GROUP TIN OUTPUTS

Tin concentrate production at Gopeng Consolidated, the Malaysian producer, fell beneath 170 tonnes during November, the first time this has happened in any month since August 1974. After the first two months of the financial year, production is 338.75 tonnes compared with 357.25 tonnes at the same time last year.

Elsewhere in the Gopeng group, Tanjong's output after 11 months of the financial year at 267.25 tonnes is running ahead of the 236 tonnes last year. Idris Hydraulic production after 11 months is 248.25 tonnes, against 367 tonnes in the same period of 1975.

Outputs for the group's mines are compared in the following table:

	Nov. Tonnes	Oct. Tonnes	Sept. Tonnes
Gopeng	169	173½	179½
Tanjong	[illegible]	25½	[illegible]
Idris	[illegible]	15¼	[illegible]
Pengkalen	[illegible]	13	[illegible]

Low Anglo dividends

DECEMBER DIVIDENDS from the Transvaal gold mines of the Anglo American group continue at the low level established in the middle of the year as a consequence of the relatively depressed bullion price. Vaal Reefs is paying out 60 cents (41.3p) and Western Deep Levels 45 cents (31p).

These payments are precisely in line with market expectations and make a total for the year of 110 cents for Vaal Reefs against 175 cents in 1975, and a total for Western Deep of 90 cents compared with 147.5 cents last year.

Both mines are engaged in heavy programmes of capital expenditure and, given increased tax surcharges and loan levies, there was little hope of more than a modest improvement in the dividend payments. The Western Deep's June and December payments were for the same amount, while Vaal Reefs is paying 10 cents more than in June.

The greater firmness of the bullion price in recent weeks, emphasised by the high demand at the International Monetary Fund's fifth auction on Wednesday which led to an average bid price of $137.89, is inevitably a source of some encouragement to the mines although it will take time for the more congenial market conditions to be reflected in dividend payments. Yesterday the gold price gained $1 and closed at $137⅛.

Southvaal, which receives a royalty from the working profits of the south lease of the Vaal Reefs mining complex, is paying a 1976 dividend of 6 cents (4.13p), double some estimates. But the payment last year was 8 cents. Net profits for the year to the end of December are estimated at R468,000 (£322,758) against R2.7m. *last year. The payment of the* dividend at a cost to the company of more than three times the net profits was made possible by the bringing forward of retained profits worth R1.35m.

East Daggafontein, which ceased mining last month, is, hardly surprisingly, paying no dividend, while South African Land and Exploration, after a June payment of 2.5 cents, is paying no final as it is financing a prospecting programme.

Yesterday Vaal Reefs were £11⅛, Western Deep 300p, Southvaal 375p, East Daggafontein 11p, and S.A. Land 48p.

	Dec. 1976 cents	June 1976 cents	Dec. 1975 cents	June 1975 cents
E. Daggafontein	nil	nil	nil	nil
S.A. Lands	nil	2.5	22½	7½
Vaal Reefs	60	50	100	75
W. Deep	45	45	80	67.5

GERMANS SEEK B.C. COAL

A consortium composed of the West German group, Ruhrkohle, Japan's Mitsui and Usinor of France, have taken the first step towards buying a half share in the British Columbian concern, Saxon Coal, which is owned by Denison Mines. The move comes as the provincial Government is discussing coal policy with the federal Canadian Government.

The consortium has acquired an option to take part in the exploration of the Saxon coking coal deposits and the option gives the right to the consortium to take step-by-step a 50 per cent. stake in Saxon. Ruhrkohle and Mitsui each hold 45 per cent. of the consortium, and Usinor 10 per cent.

The British Columbian Premier, Mr. William Bennett, had talks in Ottawa at the end of last month about the evolution of a coal policy for the province. British Columbia wants federal help in providing an infrastructure. More discussions are planned this month. Hitherto the provincial Government has considered that the developments of coal deposits are commercially feasible if Japan buys 10m. tons a year.

The mining industry itself has already written to the new provincial Mines Minister, Mr. Roland Chabot, asking for a voice in provincial coal policy development. The Mining Association of British Columbia has asked as well for tax rates comparable with those of other industries and for an income tax evenly divided between the provincial and federal governments.

Published interviews with Mr. Chabot indicate that he is sympathetic to this view. He plans to seek the co-operation of other provincial governments in pressing the federal government for a more relaxed tax policy to be applied to mining. He is, in any event, planning new local legislation for next year, although the details of his thinking on this have not been made clear.

BILLITON TALKS IN THAILAND

The Thai Government has reached a basis of agreement with Billiton (Thailand), part of the international oil group, Shell, for the award of an offshore tin mining concession. But neither the company or the Government could confirm Bangkok press reports on *the details.*

These reports suggested that Billiton and the Thai Government had agreed on a profit-sharing scheme based on production levels. When production was less than 1,300 tons Billiton would have 69 per cent., but as production increased so would the Government shareholding, reaching 60 per cent. at output levels above 1,700 tons.

MINING BRIEFS

PETALING TIN—Tin output for November, 273 tonnes (October 185 tonnes).

KINTA KELLAS TIN DREDGING—Tin output for November, 38½ tonnes (October 57½ tonnes).

KENT (FMS)—Tin output for November, 9.31 tonnes (October 9 tonnes).

WHEAL JANE—November output of tin contained in concentrates, 83 tonnes (October 75 tonnes). The mill operated for 22 days during November.

Graham Wood recovers with £0.2m. halfway

A more than doubling from a depressed pre-tax profit of £102,000 to £213,000 has been produced by Graham Wood Steel Group for the six months to September 30, 1976. This compares with a peak of £242,000 for the first six months of 1974.

Earnings per 20p improved to 2.6p (1.25p), and the interim dividend is held at 0.55p net. Last year's total payment was 1.78p from profit of £0.23m.

After tax of £111,000 (£53,000) net profit for the half year was £102,000 (£49,000).

Steel sales have continued to maintain the improvement experienced at the end of last year, *but world steel markets* remain depressed and a return to full trading levels is not expected in the immediate future, say the directors.

North Midland decline

A second half slump from £188,954 to £73,837 left pre-tax profits of North Midland Construction Co £97,312 adrift at £196,198 for the year to August 31, 1976. At halfway an advance from £104,551 to £122,358 was reported.

Yearly earnings per 10p share are down from 10.5p to 5.9p—the dividend total is held at 1.1p with a final of 0.65p net.

Turnover advanced from £3.11m. to £3.6m. Tax took £103,881 (£154,101) leaving the net balance at £92,312 (£139,404).

The company operates as civil engineers and public work contractors.

NORTH SEA GAS REVIEW BY RAY DAFTER

Pipelines under the North Sea

FORMATION of a company to look more deeply into the concept of gas gathering pipeline systems in the North Sea, announced yesterday, is a significant development in the exploitation of British offshore energy resources.

If the network is built, possibly in the early 1980s, it will boost offshore industries associated with installation work. The gas gathering scheme would be one of the most ambitious sub-sea pipeline projects ever undertaken: with pipelines in the Northern North Sea now costing up to £1m. a mile to lay, a reasonable network with associated facilities could well cost over £2bn.

Gas collected would help to secure British energy self-sufficiency for an even longer period. Taking the figures of a preliminary study carried out by Williams-Merz, the consulting engineers, between 1bn. and 1.5bn. cubic feet a day of gas might be collected over a 12-year period, equivalent to nearly one-third of current British gas needs. This is apart from the 6m. to 9m. tons a year of heavier gases (ethane, propane, and butane) which might be produced and used as the basis for a major expansion of the petrochemical industry.

A Department of Energy note on the gas gathering concept points out that the potential investment could directly benefit the balance of payments by perhaps £1bn. a year and secure fuel and raw material equivalent to over 20m. tons of oil annually. The new gas resources, it says, would have "very important implications for energy policy and petrochemical development."

The concept is important for another, perhaps less obvious, factor. It implies the recognition by Government that for one reason or another much North Sea gas could be wasted without some form of co-operative collection arrangement. Whatever Prof. Peter Odell of Erasmus University, in Rotterdam, might say about companies deliberately holding back offshore developments, it is evident that companies will find it uneconomic individually to exploit the gas reserves in their oil and condensate fields.

More remote

Companies in the southern basin gas fields complain that prices offered by British Gas are too low to encourage large-scale development expenditure. What chance, then, does the industry have of making a case for tapping often much smaller pockets of gas from more remote sectors of the northern North Sea? The gas gathering pipeline is likely to be the answer.

Although small quantities of associated gas produced from British Petroleum's Forties Field is being piped ashore, dissolved in the Forties crude oil, the British Gas Corporation is relying on the Frigg and Brent Fields to provide the bulk of natural gas growth. Supplies from the Anglo-Norwegian Frigg find are to be landed in September or October next year. The Corporation has already started to negotiate contract supplies with industrial and commercial consumers. Gas from Shell-Esso's Brent Field should come ashore in the second half of 1979.

Enough gas will be produced from both of these fields to justify their pipeline systems, although the development and transportation costs are adding a new dimension to offshore gas prices. It is thought, for instance, that the Gas Corporation is paying about 2p per therm for suppliers from the southern North Sea fields, situated as they are in relatively shallow waters close to land. Some Frigg gas could well cost the Corporation nearer 8p per therm.

The Williams-Merz team recommended a system of pipelines, over 800 miles long connecting as many as 30 fields and un-named discoveries. This system would start in the North, collecting gas from BP's Magnus Field, which has still to be declared commercial, and run south through the Brent, Piper and Montrose regions. On the way the pipeline—or series of pipelines—would tap supplies from Beryl which, with comparatively large quantities of associated gas, is likely to be an integral part of the network.

There are other prospects, as yet far from settled. It is not known, for instance, whether gas from the big Statfjord Field which straddled the U.K.-Norwegian median line will be fed into a British or Norwegian gathering system.

Then there is the possibility of using Pan Ocean's Brae Field as an important link in the network. Some industry reports have suggested that it could contain 2.3 trillion cubic feet of gas, quite apart from sizeable oil reserves, but Brae is proving a difficult prospect to assess.

The Department of Energy note points out that British fields so far proved do not yield the required minimum gas volume to justify a gathering system; a pipeline would therefore have to take gas from identified but presently unproved oil fields and from "other dry gas and condensate fields." Technical information about these latter fields is said to be uncertain.

The Department and a number of offshore operators are aware that there appear to be two large gas-bearing structures in the middle of the North Sea which, if proved, could help to underwrite the pipeline's viability.

One of them is thought to spread across two or three blocks: from the Zapata group's acreage on 21/2 (where oil and gas have been found) to 15/28, now operated by British National Oil Corporation, and possibly Texaco's 15/29 block. The other structure is conveniently close by, situated as it is in Continental Oil's 15/30 concession and the Transocean Group's 16/26 block. Here again it is possible that the reservoir spills over into block 15/29.

The presence of BNOC in at least two of these blocks, 15/28 and 15/30, is pertinent in view of the state corporation's interest in the company which will evaluate and possibly administer the pipeline scheme. Originally it was intended that the gas gathering company would be a wholly state-owned affair involving BNOC, British Gas, and, presumably, Statoil of Norway. The Government—the Treasury in particular—was concerned about the amount of money which would have had to have been raised by the groups. Consequently, private industry is being invited to take a stake. Judging by the interest being expressed at the offshore oil exhibition and conference in Birmingham this week, there should be no lack of private industry participants.

John Laing Construction and Texas Eastern have already announced their interest in the scheme. They have formed an association to bid for work on the pipeline. Other contractors are also likely to be attracted to the project.

Double reason

Among names mentioned in the industry as possible participants are Rio Tinto-Zinc, Amerada Hess, Allied Chemicals, P and O Energy, and Imperial Chemical Industries. ICI has a double reason for being interested in the scheme: it is a potential producer of offshore oil and gas, and the biggest industrial user of gas in Britain. Oil companies like Shell, Esso, and British Petroleum also are potential candidates.

The Department of Energy has confirmed that when the Williams-Merz report was published a number of industrial sectors showed interest. They included oil companies, chemical groups, local authorities, consultants, banks, and a wide range of industrial groups.

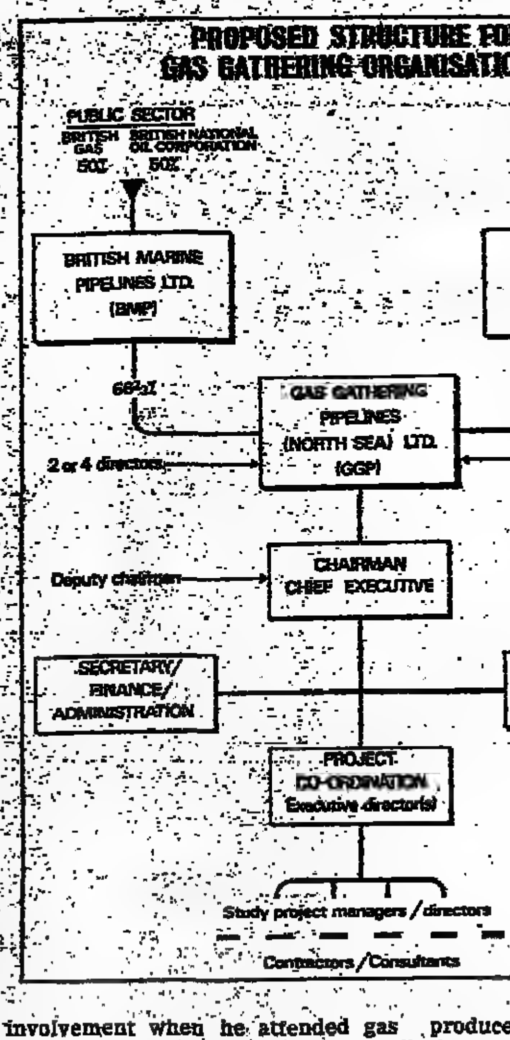
Companies which do take part will be expected to contribute at least several hundred thousand pounds each as risk investment. No participant will have the right to preference in respect of contracts awarded in the study or construction stages. On the other hand, study participants will obtain first-hand knowledge of the commercial and engineering issues. "This is likely to confer advantage if the project goes ahead to development," the Department says.

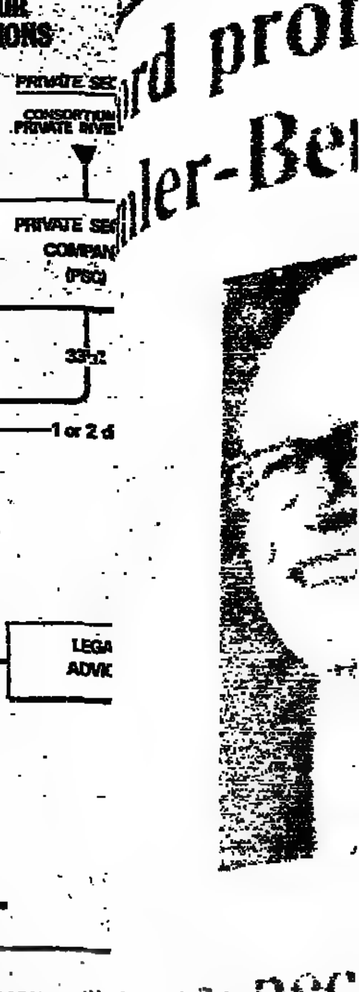
Under the proposed management arrangements the private sector will have a one-third interest in the study company, Gas Gathering Pipelines (North Sea). The public sector, represented by the Gas Corporation and BNOC through a company called British Marine Pipelines, will account for the other two-thirds. The management team will consist of senior executives seconded by participating companies, which could well stretch BNOC's manpower resources even tighter. In order not to pre-empt decisions on the ownership of the pipeline GGP will cease operations once it has completed its studies by March 1978.

Yesterday's announcement poses two unanswered questions: will the Norwegians be tempted to abandon their own national scheme and will the owners of gas be paid a market price for the energy?

Mr. Bjorn Gjerde, Norwegian Minister of Industry, was non-committal about his country's involvement when he attended the Financial Times's Oil in Deeper Waters Conference in Birmingham on Tuesday. Although joint consultations between the British and Norwegians are continuing, he gave the impression that he would still like to see a separate Norwegian gas-gathering system.

Pricing is, perhaps, even more baffling. While it is expected that gas-producing companies financially involved in the pipeline will receive an economic rate for any gas transmitted by the system, it is far from clear whether other gas producers will [illegible] similarly favourable t[illegible] It might be argued, for [illegible] that without the pipe[illegible] gas would have been re[illegible] into the field or, wo[illegible] merely flared and wast[illegible] looks like the basis o[illegible] hard bargaining by Bri[illegible] On the other hand, t[illegible] many in industry (and Government and the [illegible]ised bodies) who feel price of gas must be more in line with that [illegible]peting fuels. It is on[illegible] issues to be settled b[illegible] pipeline system is g[illegible] go-ahead.





Littlewoods profits rise 12% to over £31m.

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

The Littlewoods Organisation, traditionally the most private of private companies, yesterday pulled back the veil a little more and revealed that it increased its pre-tax profit last year by 12 per cent. to £31.6m.

Within this total is included the profit from the pools business: this contributed part of the £12.4m. of partnership profits, but how much is not revealed.

However, pools business is not included within the group's total *turnover, which come to £408m.*, excluding VAT. But since the mail order side contributed £283m., the chain stores £185m., and the pools are not shown, total turnover was clearly very much higher.

There is little doubt that Littlewoods is Britain's largest private company with shareholders' funds of £135m. Founded in 1924 as a pools company by its present chairman, Mr. John Moores, and his brother Cecil who now runs the pools business, it is still owned entirely by the family. Historically the company has always paid a very low dividend and re-invested most of the profits in the business. In 1975 the dividend was only £236,000, leaving £13.7m. retained profit for the year as against £11.3m. in 1974.

In 1975 the mail order and chain store divisions made a profit of £18.5m. The overseas fixed odds betting business had a turnover of £4.4m. and made a profit of £411,000. The other businesses consolidated had a turnover of £3.9m. and made a profit of £173,000. On top of this was the share of partnership profits which arose both from the pools business and other activities such as wholesaling. This fell to £12.4m. (£13.2m. in 1974), largely as a result of one of the partnerships being acquired by a subsidiary during the year.

The company opened five new stores in 1976 and extended another six. A further four new units are to be opened next year.

In a general review of 1975 for the staff, the management says that the company came out of last year in good shape and that it has handled the difficulties of 1976 in the same manner. The company, it says, "is strong and well placed to exploit an upturn *in the country's fortunes when it comes.*"

The mail order division runs six companies under the names John Moores, Brian Mills, Burlington, Littlewoods, Janet Frazer and Peter Craig (the name on the catalogues being different but the goods sold are all basically the same). The chain store side comprises 105 shops around the country.

Boiler plant makes over 200 redundant

MORE THAN 200 workers were made redundant yesterday by the Beeston Boiler Company in Nottinghamshire. About 140 others, who are still processing unfinished work or helping the company with its finances, are expected to lose their jobs later.

The National Westminster Bank called in the Official Receiver at the company's request and workers were told the redundancy news on Wednesday night.

Mr. R. W. Grieves, the managing director, said the company regretted having to make such an announcement at a time like this. He thought it would cost more in redundancy pay for the workers than the company owed in Government taxes.

He hoped another company might take over the works as there were good order books and increasing exports.

Devenish recovers in second half

SOMEWHAT BETTER than expected results are turned in for the 53 weeks ended October 1, 1976, by the Dorset brewery group J. A. Devenish and Company.

Following a drop from £129,873 to £51,131 in the first half—reflecting a decline in volume sales—the directors reported an improvement in trade and said that they expected the full results to be comparable with those of 1974-75.

In the event a recovery in the second half—with profits up from £0.99m. to £1.31m.—has taken the pre-tax total up from £1.13m. to a record £1.36m.

Earnings per £1 stock are up from 59.71p to 66.86p. The dividend per 25p share is raised from 4.8p to 5.28p with a final of 3.65p.

Turnover increased from £10.28m. to £11.84m. The net profit came out at £833,471 against £637,572, after tax of £522,024 (£491,365). Dividends require £206,565 (£189,089). There are extraordinary items of £189,552 (£75,891).

Sime Darby Boar[d] dispute settled

Mr. Jim Bywater has resigned as chairman and a director of Sime Darby Holdings as part of an agreed compromise settlement reached last night in the dispute with Malaysian interests over the composition of the Board.

His place is taken by an existing director, Tun Tan Siew Sin, a former Finance Minister of Malaysia. Under the new agreement, the present Board will support the election, at a delayed shareholders' poll on December 30, of three further Asian directors. The three, whose election was backed by Pernas, the Malaysian State-owned concern with a sizeable shareholding in Sime, but has hitherto been opposed by the Board, are Tunku Ahmad Yahaya, Mr. Sixto Roxas and Mr. Wee Cho Yaw.

In return, Rothputra Nominees, representing Pernas, will now support the re-election of three British directors, Mr. Stanley Booton, Mr. Robert Constable and Mr. Anthony Sumner, whose confirmation on the Board—along with that of Mr. Kenneth Eales—it has so far opposed. Mr. Eales, a former executive director, has withdrawn his candidature.

The result will be that the Board will contain 12 members, the number to which it is limited by the present Articles. An earlier compromise, involving the increase in the number of directors to 15, was advanced by Sime on Wednesday, without Pernas' agreement.

This solution was hammered out after intensive talks over the past two days, continuing earlier discussions between the two sides, and their advisers, Kleinwort Benson for the Board and N. M. Rothschild for Rothputra.

The strengthened South East Asian representation on the Board recognises the large share of Sime's business, 64 per cent. in Malaysia and the importance of the good will of the authorities in that country, with who[m] disputes have arisen lat[ely].

In the new Board ther[e] seven non-executive dir[ectors] from South-East Asia, [illegible] per cent. of Sime's sha[res] are.

The compromise settle[ment] proposed by Tan Sri [illegible] Tuan, chairman of [illegible] Chinese Banking Co[rporation] Group, of Singapore, t[he] largest shareholder in Si[me].

Tan Sri Tan was, in [illegible] caretaker chairman of S[ime after] the sacking of the previ[ous chair]man, Mr. Dennis Pin[illegible] later served a prison se[ntence in] Singapore for breach of [illegible]

Braham Millar u[p] in first h[alf]

CONTRARY TO indicatio[ns] year-end mechanical [illegible] Braham Millar Group re[illegible] tax profits up from £3[illegible] £420,862 for the half [to] September 30, 1976.

Turnover was higher (£3.23m.) and after [illegible] £218,848 (£173,260) the ne[t] was £202,014 (£159,983).

The interim dividend [illegible]tively raised from 0.42857 net per 10p share to re[illegible] parity. Last year's total payment was equal to 1.4[illegible] profit of £788,598.

Overseas demand has c[illegible] to increase and the worl[illegible] prospect for the remaind[er of the] year indicates a further [illegible] in real terms in both turn[over and] profit for the year.

While home demand h[illegible] a further decline there [illegible] an encouraging underc[illegible] orders and inquiries [illegible] however, any expectatio[n of an] early upturn, say the di[rectors].

	Half ye[ar]	
	1976	[illegible]
	£000	[illegible]
Home sales	1,324	1,[illegible]
Export sales	2,672	1,[illegible]
Profit before tax	421	[illegible]
Taxation	219	[illegible]
Dividend	66	[illegible]

Greencoat qualified over French situation

Greencoat Properties made group revenue of £968,000 (£1,213,000) and pre-tax profits of £206,000 (£163,000) in the year to June 30, 1976. The profit figure was struck after interest charges of £501,000 (£810,000) and a tax credit of £33,000 (charge of £87,000).

There is no dividend due to uncertainties in France which have caused the accounts to be qualified. The auditors also say *they are unable to express an* opinion as to whether the provision of £876,000 to meet the fall in U.K. property values is adequate.

The problems in France concern the Grancanal scheme in Paris where in May this year the building licence was revoked, causing construction work to be stopped in July.

The Board has been advised that an application for a new building permit will be successful and negotiations with French planning authorities have begun. But it is inevitable that a new permit will result in a loss of saleable space.

The Board has also been advised that the company would, in this case, have a claim for compensation. But it is not possible, yet, to assess the full *financial implications.*

The auditors state that the nature of any new building permit, along with availability of finance and continuance of loan facilities, will have a material effect on the realisation of the £6.8m. costs of the development.

BANK RETURN

	Wednesday Dec. 8 1976	Inc. (+) or Dec. (−) for week
BANKING DEPARTMENT		
LIABILITIES	£	£
Capital	14,553,000	
Public Deposits	17,756,407	− 1,342,300
Special Deposits	1,656,160,000	+ 5,000
Bankers	325,641,379	− 45,242,115
Reserves & Other A/cs	423,740,191	+ 35,900,057
	2,647,500,977	− 20,684,358
ASSETS		
Govt. Securities	1,904,779,993	− 258,005,000
Advances & Other A/cs	640,400,047	+ 235,951,704
Premises, Equip't. & other Secs.	64,538,369	+ 64,856
Notes	17,351,626	+ 1,319,810
Coin	234,942	− 15,728
	2,647,300,977	− 20,684,358
ISSUE DEPARTMENT		
LIABILITIES	£	£
Notes Issued	6,675,000,000	+ 100,000,000
In Circulation	6,657,648,374	+ 98,680,190
In Bank'g Dept.	17,351,626	+ 1,319,810
ASSETS		
Govt. Debt	11,015,100	—
Other Govt. Secs.	6,341,233,068	+ 92,924,248
Other Securities	322,751,832	+ 7,075,752
	6,675,000,000	+ 100,000,000

£9m. payout by Israel British Bank

Small depositors and creditors of Israel-British Bank (London) *which closed its doors in July,* 1974, are to receive a £9m. payout from the joint liquidators of the bank before Christmas.

A meeting of the unsecured creditors approved a scheme whereby depositors with claims of less than £25,000 will be paid in full and unsecured creditors a dividend payment of 25p in the pound—5p higher than thought likely a year ago.

A recent Supreme Court verdict has freed over £2m. of bank deposits in the U.S. which U.S. banks had sought to "attach" for their own benefit rather than creditors generally. This has lifted the liquidators' estimates of total dividends to "not less than 38p" in the pound compared with the 20p given in the directors statement of affairs in January, 1975.

A fresh point to emerge was that foreign currency claims, accounting for nearly 80 per cent. of IBB total, are to be paid at exchange rates obtaining in December, 1974—the winding up date. The effect of this on increasing distributable assets is, however, reduced by the offsetting increase in foreign currency liabilities.

The approval of the scheme agreed in principle in January, 1976, follows two years of negotiations by the liquidators of the banking group which collapsed with a deficit of over £60m. combining the London and parent Tel Aviv banks.

It has been a unique joint international liquidation which has drawn financial assistance from the two main central banks—the Bank of England contributing £3m. to the liquidation and the Bank of Israel agreeing to subordinate a DM30m. deposit it held in IBBL.

Creditors in London and Tel Aviv will receive 47 per cent. and 53 per cent. respectively of any as yet unvalued or undiscovered assets.

The sale of majority shareholding in Sentinel Insurance and the National Insurance and Guarantee Corporation, has been included in the liquidators dividend estimates but claims are also outstanding involving several million pounds against a number of European banks.

Price Waterhouse, one of whose partners Mr. Alan Wheatley is a joint liquidator, is to launch an investigation to determine the causes of the banking group's failure and to locate any as yet unrealised assets.

At the same time official inquiries are continuing into the collapse.

Evans & Owen into loss

Although sales expanded from £0.44m. to £0.78m. there was a pre-tax loss of £13,190, against a profit of £35,337, for department store operators Evans and Owen in the year ended March 31, 1976.

The Bath based concern, which is a close company, showed a loss per 25p share of 0.03p against earnings of 0.03p last time. After tax of £3,173 (£20,853) the net loss was £16,363 (profit £14,984). Extraordinary items accounted for a credit of £4,574 (£14,399).

As in previous years, no dividend is to be paid.

Keystone Investment tops £½m.

Pre-tax revenue of Keystone Investment Company for the year ended October 31, 1976, was up from £455,122 to £523,565, after £235,552 against £221,029 at halfway. Gross income rose from £560,927 to £637,191.

The final dividend of 3.5p net per 50p share lifts the total from 4.25p to 4.85p.

Net assets after deducting liabilities are £6.29m. (£7.69m.) equivalent to 107p (131p) per share.

	1976 £	1975 £
Income received	682,191	560,927
Revenue before tax	523,565	455,122
Taxation	191,438	163,084
Net revenue	332,127	291,838

First half setback at Emray

Turnover at Emray for the six months to June 30, 1976, fell from £1.64m. to £1.31m., and profit slipped from £345,000 to £186,000 subject to tax of £84,000 against £156,000. Attributable profit emerged at £76,000 compared with £127,000.

The directors state that it is not anticipated that the level of profit in the first half will be maintained in the full year, and add that next year is unpredictable at present and will depend on the state of the Zambian economy.

The company trades in Zambia as importers and distributors of motor vehicle and office equipment.

Sharp fall a[t] C. H. Baile[y]

The world recessio[n and the] depressed state of the [illegible] market have caused a [sharp] fall" in the performance [of the] C. H. Bailey group for t[he year] ended April 2, 1976. La[st year's] profit before tax was [illegible] £600,000.

However, the directors [illegible] the total of the final divid[end and] the interim for the curr[ent year] will not be less than the [illegible] net interim paid for 1975[illegible]

The 1975-76 accounts o[f the group] and its subsidiary Allsea [Ship]ping Services, have been [illegible] resulting in there be[ing in]*sufficient time for copie[s]* sent 21 days prior to the [meeting to] be convened on Decembe[r illegible]

They will, however, b[e illegible] for that date. Therefore, i[t is] proposed that the mee[ting be] adjourned to date as will [illegible] that not less than 2[1 days] will have elapsed betwe[en the] posting of the accounts t[o mem]bers and the date of the ad[journed] meeting.

ENTERTAINMENT GUIDE

:cord profits ahead as imler-Benz sales rise

DICKS BONN, Dec. 9.

\, as has seemed s interim figures ·ecting increased d to last year, a record profit 77m.), according chairman, Herr

inary figures for le the Daimler- also stated that ld-wide turnover least DM2bn. or 0 per cent., to el of DM23bn.

tal, there was a the importance r sales on the to 48.5 per cent. cent., while the l for by com- ales eased back from 50.1 per ent.

turnover, at

Dr. Joachim Zahn

DM9.3bn., was up by no less than 17 per cent. from 1975, a figure which was achieved by the production of about 375,000 vehicles. Passenger car production in 1977 was expected to top the 400,000 mark, Herr Zahn said.

Production of commercial vehicles in West Germany and abroad totalled about 446,000 in 1976, with Daimler-Benz plants in other countries raising their production by 7 per cent. to 246,000 units. In the future, Herr Zahn said, the commercial vehicle market would be the most fought-over sector for the motor industry—a remark that comes closer than any previous utterances by Daimler-Benz to commenting on some of the recent moves by its competitors to strengthen their positions. Among these the recent decision by Volkswagen and M.A.N. to produce a joint range of trucks stands out.

ed prospects in Holland

CLARK

ood progress Unilever next picture in 1977 Dutch inter- d. Some groups and Hoogovens the going still the early part

what gingerly ort term pros- ctor — which n a markedly ness pattern in so far — in- sts in the dam Bank also ourable under- urse for Royal up. On the y conclude that very may con- less strongly ot past.

test investment against a back- arket perform- national names k exchange.

t that they have an 10 per cent. low and stock still clearly re- y about the conomic growth bout OPEC oil

h in the first 976 achieved a performance ing profits and g 14 per cent., 74 per cent. and 87 per cent. respectively, is forecast to achieve possibly a 60 per cent. earnings rise for the whole of 1976. This comes after a slow down in the final quarter partly as a result of the quiet behaviour of raw material prices. The particularly strong rise at the earnings level so far is largely explained by lower interest charges and a return to more normal tax rates.

The Amro commentators suggest that a 10 per cent. earnings rise "would not seem unreasonable for 1977" after pointing out that the strong growth that was shown in the first three quarters of the current year was enhanced by comparison with a previous year marked by a poor first half. Nevertheless, they point out, the 1976 sales advance was more than 50 per cent. accounted for by volume increases, the economic recovery being a spur to mic recovery being a major spur to growth.

Turning to the Royal Dutch/Shell Group, the analysts say that while earnings figures in 1976 presented a distorted picture of the business trend because of the application of new accounting standards and the depreciation of sterling, the favourable underlying earnings trend "continued at the usual pace."

After the increase in sales of crude oil, natural gas and chemical products at better prices this year, as well as higher capacity utilisation, they suggest group turnover in the first nine months could be up by 37 per cent. to £14.2bn. while group earnings for the whole year, using the old accounting principle, are expected to reach £1.4bn. against £1.014bn in 1975.

A relatively moderate rise in oil prices, they add, would hardly reduce demand in 1977 although account has to be taken of delays in passing on price increases. But with more profitable North Sea oil prospects in 1977 for the group a continuation in the uptrend is forecast.

Confidence is rather less marked in Philips. A weak business trend in the U.K. and strong competition from Japanese products was felt in the third quarter following a vigorous sales recovery earlier in the year.

The analysts point out that with net profit margin still at the "low level of 2 per cent."—which is far too low—only a limited earnings rise can be expected in the final quarter. Comparatively smaller sales rises are also in prospect for 1977.

On the groups that have already seen a hard struggle in 1976 so far, the Amro commentators say the textile concern, AKZO, on its own reckoning expects to recover only to break-even in the final quarter this year after the net loss of Fls.24m. in the third quarter.

In 1977, the analysts add, "every nerve will be strained to attain a further substantial recovery."

Volvo cuts back on poor sales outlook for next year

BY WILLIAM DULLFORCE STOCKHOLM, Dec. 9.

VOLVO, the Swedish car and truck manufacturing group, is cutting back its passenger car production programme for the first half of 1977 by 15 to 20 days' output. It will also postpone the start-up of its North American assembly plant at Chesapeake, Virginia, by at least one year.

A company spokesman said this afternoon that the cutback was motivated by the delayed recovery in the world economy and the management's assessment that the sales situation for cars would continue to be poor during 1977. The company was over-stocked and stocks at the factories had to be adjusted to the retail demand.

A reduction of 15 to 20 days would imply a cut of 15-20,000 in the planned output of 300,000 cars for 1977, bringing production back roughly to the level of 1975, when Volvo made 287,000 cars. Output this year is scheduled to reach 300,000, including 30,000 of the new 343 model and 30,000 of the 66 series, both of which are manufactured at the group's Dutch plants.

The cuts to be made next year will affect principally the Swedish factories at Gothenburg, Skövde, Köping and Olofström. The Volvo employees were informed of the planned cutback to-day. The group works council is setting up a committee, including representatives of both management and unions, to advise on how the cuts are to be effected.

At the end of last month the Volvo group reported an improvement in pre-tax earnings of Kr. 142m. to Kr. 490m. (£70m.) *for the first nine months of the* year after a 17 per cent. increase in sales to Kr.11.4bn. (£1.63bn.). This compares with a pre-tax profit of Kr.610m. for the first nine months of 1974.

Mr. Pehr Gyllenhammar, the managing director, commented that the profits did not cover the group's investment requirements which would amount to roughly Kr.800m. in 1976. He spoke critically of "excessive" increases in Swedish wage and salary rates and warned that the substantial overcapacity in world car production would keep profit margins depressed.

The improvement in earnings during the first nine months was in fact, attributed to the group's car operations, which accounted for Kr.8.3bn. of the Kr.11.4bn. turnover. Higher sales in Sweden and Western Europe offset at least partially the continuing decline in North America, where sales of the 240 and 260 series dropped by more than 30 per cent. compared with 1975.

The assembly plant under construction at Chesapeake, Virginia, will not start up next March as planned, although it is already being used as what is described as an import facility. This activity will be stepped up, so that the majority of Volvo car exports to the U.S. will be prepared for delivery at Chesapeake. It is hoped to start assembling cars there some time in 1978.

Volvo first reduced its car production shortly after the 1973 oil crisis and ran a four-day working week for a time in the beginning of 1974. At the end of that year a further cutback of 6 per cent. was announced for 1975.

Thomson takes in interim loss at Ericsson

BY DAVID CURRY PARIS, Rec. 9.

THE TAKEOVER by Thomson CSF of the French telecommunications equipment subsidiary of the Swedish company Ericsson has gone into effect completing the operation which has seen Thomson, one of France's dominant electrical engineering concerns, become a focal point of this country's programme to modernise its telecommunications.

In June Thomson took control of the ITT subsidiary LMT as part of the French Government sponsored campaign to regroup the industries supplying equipment to the post office under French control

By way of "dowry" Ericsson has brought Thomson a first half loss of Frs.50m. which is blamed by the company on the revaluation of stocks, the reabsorption of stocks, excessive prices and the cost of studies into its future. It expects a smaller loss for the second half.

Ericsson has been chosen to supply the "axe" type of telephone exchange and is expecting substantial orders from 1977 for this type of equipment. By a share exchange Thomson has *become principal and* eventually majority shareholder of Ericsson.

For its part Thomson has welcomed Ericsson because of it high technical expertise, the orders it expects to collect and the promise of its Swedish parent company to help it out of its present difficulties.

LMT went into its takeover in better shape than Ericsson. Nine months turnover was 16 per cent. up and the full year forecast is for a 13 per cent. sales rise. First half net profits were 20 per cent. up at Fr.32m. while full year earnings will be up by proportionately more than the turnover. LMT is responsible for the Metaconta space switching system developed by ITT.

Thomson CSF has said that its forecast of a 20 per cent. improvement in turnover and profits this year remains valid.

● Meanwhile, Thomson and Silec announce that they have decided on a joint effort in the *field of discrete semi-conductors* in order to compete more effectively in Europe with a comprehensive range of products.

The two companies have agreed on close cooperation between Thomson - CSF's Sescosem division and Silec-Semi-Conducteurs (SSC), subsidiary of Silec.

Mr. Guy Dumas has been appointed managing director of the Sescosem division of Thomson-CSF, while remaining chairman and managing director of SSC.

Joint engineering, manufacturing and marketing policies, coupled with a rational use of existing production and sales facilities, is claimed to produce the largest industrial complex in France for discrete semi-conductors

EUROBONDS

Brazil to borrow $75m.

BY TONY HAWKINS

THE REPUBLIC of Brazil is to borrow $75m. in the Eurobond market with a 7-year bullet issue on an indicated coupon of 9¼ per cent. The issue price will be fixed in the light of ruling market conditions but is currently indicated at around 99.

Lead Manager is Deutsche Bank and the other members of the management group are Merrill Lynch, BAII (Banque Arabe et Internationale d'Investissement), Banque Nationale de Paris, Union Bank of Switzerland and Banco do Brasil.

There is some surprise in the market at the conditions of the Brazilian issue which look tight. The new issue with its 9¼ per cent. coupon payable annually and a 7-year maturity issued at 99 would give a return of about 9½ per cent. But there is already quoted a Brazil Government bond with a 1981 maturity on a coupon of 10 per cent. payable semi-annually and currently listed at a middle price of 101½. This would give a return of 9.8 per cent., so that new investors are being invited to take up a 7-year bond issue on a lower return than is obtainable on an already-quoted bond with 4½ years to go to redemption.

There is the further consideration that with new syndicated loan borrowing of some $3bn. so far this year, Brazil is frequently considered to be in the over-borrowed category.

The Inter-American Development Bank is raising 300m. Austrian Schillings with an issue of 10-year bonds at an indicated price of 97¼ and with an expected 8 per cent. coupon. The lead manager is Creditanstalt-Bankverein.

The $50m. New Zealand Offshore Mining Company issue was "comfortably oversubscribed," the lead managers (Citicorp International) said yesterday. The Guaranteed Notes due 1985, were priced at par on a coupon of 8¼ per cent. as indicated.

The secondary market was stronger again yesterday, particularly in the morning, though there was some profit taking in the afternoon. Features included Polysar which improved to 100¼/101 and the South of Scotland which continued its advance rising to 98¾/98¾. Skandinaviska Enskilda was also harder at 100¼/100¾ and the Gotaverken Notes were firm at 100/100½.

The Sandoz units, priced earlier this week at $3.040 drifted slightly lower again on small selling to $2.930 middle.

BONDTRADE INDEX

	Thursday	Wednesday
Medium	101.99	101.87
Long	93.81	93.68
Convertible ...	105.80	105.80

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Alcan 9½pc 1989	101¼	101¾
Australia 8¾pc 1981	99½	100
Bowater 9½pc 1986	102	103½
Canad. N. Rlwy. 8¾pc '86	100½	101½
Credit National 8¾pc 1986	97½	98
Denmark 8¾pc 1984	98¼	99
ECS 9½pc 1990	102½	103¼
EIB 9½pc 1985	100¾	101¼
Enso 9½pc 1983	102¾	103¼
Esso 8pc 1986 Nov.	103¾	104¼
Eurofima 9¾pc 1985	102½	103
Granges 9¾pc 1983	102	102¾
ISE Canada 9¾pc 1986	104½	105¼
Massey Ferguson 9¾pc 1991	104¾	105¼
Michelin 9¾pc 1985	101½	102¼
Midland Int. Fin. 8¾pc '86	97½	98
Modo 9pc 1988	97¾	98¼
Natl. Westminster 9pc '86	99½	100¼
Newfoundland 9¾pc 1985	101½	102
Norpipe 9¾pc 1986	102½	103
Norsk Hydro 9pc 1991	101¾	102¼
Oslo 9pc 1988	101¾	102¼
Ports Autonomes 9pc 1991	98½	99¼
Prov. Quebec 9pc 1984	100½	101¼
Quebec Hydro 9¾pc 1986	95	95¾
Prov. Saskatchwn. 8¾pc '86	101½	102¼
Skand. Enskilda 9pc 1991	100½	101
Volvo 9¾pc 1983	102	103¼
NOTES		
Australia 8¾pc 1983	101¾	102¼
Australia 8¾pc 1986	100¾	101¼
Dow Chemical 8pc 1986	101½	102
EEC 8¾pc 1982	101½	102
Kockums 8pc 1983	98½	99

	Bid	Offer
Michelin 8¾pc 1983	101	101½
Montreal Urban 8¾pc 1981	99½	100
Natl. Coal Board 8¾pc 1981	99¾	100¼
Nw. Brnswck. Prv. 8¾pc '83	103½	104
New Zealand 8¾pc 1986	100	100½
Nippon Fudosan 8pc 1981	99½	100½
Sth. of Scot. Elec. 8¾pc '81	95¾	98
FLOATING RATE NOTES		
Vizcaya 7½pc min. 1981	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
Bk. Tokyo Hlds. 6½pc min.	[illegible]	[illegible]
LTCB of Japan 6½pc min. 1981	[illegible]	[illegible]
D. MARK BONDS		
Beecham 8pc 1983	[illegible]	[illegible]
EIB 8pc 1994	[illegible]	[illegible]
Giro Vienna 7½pc 1983	[illegible]	[illegible]
New Zealand 7½pc 1986	[illegible]	[illegible]
Pemex 8½pc 1983	[illegible]	[illegible]
Source: White Weld Securities.		
CONVERTIBLES		
American Express 4¼pc '87	[illegible]	[illegible]
Ashland 5pc 1988	[illegible]	[illegible]
Beatrice Foods 4¼pc 1992	[illegible]	[illegible]
Beatrice Foods 4½pc 1992	[illegible]	[illegible]
Borden 5pc 1992	[illegible]	[illegible]
Broadway Hale 4¾pc 1987	[illegible]	[illegible]
Canon Camera 7pc 1990	[illegible]	[illegible]
Carnation 4pc 1987	[illegible]	[illegible]
Chevron 5pc 1988	[illegible]	[illegible]

	Bid	Offer
Dart 4¾pc 1987	[illegible]	[illegible]
Eastman Kodak 4½pc 1988	[illegible]	[illegible]
Economic Labs 4¾pc 1987	[illegible]	[illegible]
Fed. Dept. Stores 4¾pc '85	[illegible]	[illegible]
Firestone 5pc 1988	[illegible]	[illegible]
Ford 5pc 1988	[illegible]	[illegible]
Ford 5pc 1986	[illegible]	[illegible]
General Electric 4¼pc 1987	[illegible]	[illegible]
Gillette 4¾pc 1987	[illegible]	[illegible]
Gould 5pc 1987	[illegible]	[illegible]
Gulf and Western 5pc 1988	[illegible]	[illegible]
Harris 5pc 1992	[illegible]	[illegible]
Honeywell 6pc 1986	[illegible]	[illegible]
ITT 4½pc 1987	[illegible]	[illegible]
Komatsu 7½pc 1990	[illegible]	[illegible]
J. Ray McDermott 4¾pc '87	[illegible]	[illegible]
Mitsubishi Elec. 7½pc 1991	[illegible]	[illegible]
Mitsui 7½pc 1990	[illegible]	[illegible]
J. P. Morgan 4¾pc 1987	[illegible]	[illegible]
Nabisco 5½pc 1988	[illegible]	[illegible]
Owens Illinois 4½pc 1987	[illegible]	[illegible]
J. C. Penney 4½pc 1987	[illegible]	[illegible]
Pioneer 8pc 1989	[illegible]	[illegible]
Raymond 8pc 1989	[illegible]	[illegible]
Revlon 4½pc 1987	[illegible]	[illegible]
Reynolds Metals 5pc 1988	[illegible]	[illegible]
Sperry Rand 4¼pc 1987	[illegible]	[illegible]
Squibb 4¾pc 1987	[illegible]	[illegible]
Texaco 4¾pc 1988	[illegible]	[illegible]
Toshiba 6½pc 1990	[illegible]	[illegible]
Union Carbide 4½pc 1982	[illegible]	[illegible]
Warner Lambert 4½pc 1987	[illegible]	[illegible]
Warner Lambert 4¾pc 1988	[illegible]	[illegible]
Xerox 5pc 1988	[illegible]	[illegible]
Source: Kidder, Peabody Securities.		

Joint Dutch offshore work plan

By Michael Van Os AMSTERDAM, Dec. 9.

THE THREE largest Dutch companies in the Dutch offshore construction sector have agreed on a study into the possibility of merging their extensive activities in the fields of design, construction and marketing. The aim would be "making the Dutch international competitive position as strong as possible." and thus to safeguard the employment in that sector.

The three companies involved are Rijn-Schelde-Verolme (RSV), the large shipbuilding and engineering company, IHC Holland, the specialised shipbuilding company, and De Groot Zwijndrecht, which is also an offshore equipment supplier. The companies employ well over 5,000 people in the offshore sector and they have been complaining recently notably of very strong Japanese competition in their field of business as well as about "protectionist tendencies" in some of the North Sea oil-gas producing nations and declining orders generally posing a threat to the employment. It was added that more Dutch companies could join the co-operation

The initial suggestion to study the possibility of a joint Dutch offshore industry along the lines of some other European countries was made at the end of the summer by the Economics Minister, Mr. Ruud Lubbers. He is currently heavily involved in working out plans to restructure the whole Dutch shipbuilding sector, which could result in a capacity reduction of up to 40 per cent. Massive unemployment is threatened in view of the lack of orders.

He has not indicated whether the bringing together of the companies' activities will be a condition for substantial Dutch state aid for the troubled shipbuilding sector

Exxon $20bn. spending plan

ATLANTA, Dec. 9.

EXXON CORP. president Howard C. Kauffmann disclosed a detailed breakdown of the company's previously reported $20bn four-year capital and exploration spending programme, in a presentation prepared for delivery to securities analysts here.

He disclosed that of the $20bn of scheduled outlays over the 1976 through 1979 eriod some $13bn. will *go for so-called* "upstream" activities primarily production and exploration. A further $4bn. of spending is scheduled for "downstream" activities including marketing and refining. Chemicals projects will absorb $2bn. of the budget and other businesses including coal and uranium mining and previously $1bn.

AP-DJ

orld Value of the Dollar

low gives the latest available for the U.S. dollar against s as on Wednesday, December ange rates have been compiled rica NT & SA's world-wide iches from various sources. sted are middle rates between ng rates as quoted between multiple exchange rate system (m), the rate quoted is the unless otherwise indicated. e quoted in foreign currency units per one U.S. dollar except for U.K. sterling (and those currencies at par with sterling) which is quoted in dollars per sterling unit. These rates are asterisked.

All rates quoted are for indication purposes only and are not based on, and are not intended to be used as a basis for, particular transactions. By quoting the following exchange rates, Bank of America NT & SA does not undertake to trade in all listed foreign currencies and does not assume any responsibility for any errors in the table below.

as of December 9 at 11.00 a.m. SDR1=US$1.15247
s 5 6 months 5⅛

rency	Value of DLR	Country	Currency	Value of DLR	Country	Currency	Value of DLR
ri Franc	186.73	Guam	U.S. $	1.00	Peru	Sol	68.32
u (a)	65.10	Guatemala	Quetzal	1.00	Philippines	Ph. Peso	7.3907
n)	6.04	Guinea Rep.	Syli	22.28	Pitcairn Is.	NZ $	1.0942
(a)	4.1302	Guinea Bissau	Peso	31.523	Poland	Zloty (m) (n)	19.92
[illegible]	4.9979	Guyana	Guyanese $	[illegible]	Portugal	Port. Escudo	31.37
[illegible]	[illegible]	Haiti	Gourde	[illegible]	Port. Timor	Timor Escudo	[illegible]
[illegible]	[illegible]	Honduras Rep.	Lempira	[illegible]	Principe Isle	Port. Escudo	[illegible]
[illegible]	[illegible]	Hong Kong	H.K. $	[illegible]	Puerto Rico	U.S. $	1.00
[illegible]	[illegible]	Hungary	Forint (m)	[illegible]	Qatar	Qatar Ryal	3.9313
[illegible]	[illegible]	Iceland	I. Krona	[illegible]	Reunion Ile de la	French Franc	4.9970
[illegible]	[illegible]	India	Ind. Rupee	[illegible]	Rhodesia	Rhd. $	0.617
[illegible]	[illegible]	Indonesia	Rupiah	[illegible]	Romania	Leu	4.87
[illegible]	[illegible]	Iran	Rial	[illegible]	Rwanda	Rwanda Franc	92.84
[illegible]	[illegible]	Iraq	Iraq Dinar	[illegible]	St. Christopher	E. Caribbean $	2.70
[illegible]	[illegible]	Irish Rep.	Irish £*	[illegible]	St. Helena	£ Sterling*	1.6716
[illegible]	[illegible]	Israel	Israeli £	[illegible]	St. Lucia	E. Caribbean $	2.70
[illegible]	[illegible]	Italy	Lira	[illegible]	St. Pierre	C.F.A. Franc	249.85
[illegible]	[illegible]	Ivory Coast	C.F.A. Franc	[illegible]	St. Vincent	E. Caribbean $	2.70
[illegible]	[illegible]	Jamaica	Jamaica $	[illegible]	Salvador, El	Colon	2.50
[illegible]	[illegible]	Japan	Yen	[illegible]	Samoa (Am.)	U.S. $	1.00
[illegible]	[illegible]	Jordan	Jdn Dinar	[illegible]	San Marino	Italian Lira	863.62
[illegible]	[illegible]	Kampuchea	Riel	[illegible]	Sao Tome	Port. Escudo	31.59
[illegible]	[illegible]	Kenya	Ken Shilling	[illegible]	Saudi Arabia	Ryal	3.5330
[illegible]	[illegible]	Korea (Nth)	Won (n)	[illegible]	Senegal	C.F.A. Franc	249.85
[illegible]	[illegible]	Korea (Sth)	Won	[illegible]	Seychelles	S. Rupee	7.9745
[illegible]	[illegible]	Kuwait	Kuwait Dinar	[illegible]	Sierra Leone	Leone	1.1065
[illegible]	[illegible]	Laos	Kip Pot Pol (o)	[illegible]	Singapore	Singapore $	2.4533
[illegible]	[illegible]	Lebanon	Lebanese £	[illegible]	Solomon Is.	Australian $	0.9826
[illegible]	[illegible]	Lesotho	S. African Rand	[illegible]	Somali Rep.	Som. Shilling	6.2950
[illegible]	[illegible]	Liberia	Liberian $	[illegible]	Sth. Africa	Rand	0.8695
[illegible]	[illegible]	Libya	Libyan Dinar	[illegible]	S.W. Africa Territories	S.A. Rand	0.8695
[illegible]	[illegible]	Liechtenstein	Swiss Franc	[illegible]	Spain	Peseta	68.26
[illegible]	[illegible]	Luxembourg	Lux Franc	[illegible]	Span. Ports in N. Africa	Sp. Peseta	68.26
[illegible]	[illegible]	Macao	Pataca	[illegible]	Sri Lanka	S.L. Rupee	8.9426
[illegible]	[illegible]	Madeira	Port. Escudo	[illegible]	Sudan Rp.	Sudan £	0.3492
[illegible]	[illegible]	Malagasy	MG Franc	[illegible]	Surinam	S. Guilder	1.80
[illegible]	[illegible]	Malawi	Kwacha	[illegible]	Swaziland	Emalangeni	0.8695
[illegible]	[illegible]	Malaysia	Ringgit	[illegible]	Sweden	S. Krona	4.1790
[illegible]	[illegible]	Maldive Is.	Mal Rupee	[illegible]	Switzerland	Swiss Franc	2.4544
[illegible]	[illegible]	Mali Rp.	Mali Franc	[illegible]	Syria	Syria £	3.6750
[illegible]	[illegible]	Malta	Maltese £	[illegible]	Taiwan	New Taiwan $	37.97
[illegible]	[illegible]	Martinique	Local Franc	[illegible]	Tanzania	Tan. Shilling	8.2995
[illegible]	[illegible]	Mauritania	Ouguiya	[illegible]	Thailand	Baht	19.60
[illegible]	[illegible]	Mauritius	M. Rupee	[illegible]	Togo Rp.	C.F.A. Franc	249.85
[illegible]	[illegible]	Mexico	Mexican Peso	[illegible]	Tonga Is.	Pa'anga	0.9256
[illegible]	[illegible]	Miquelon	C.F.A. Franc	[illegible]	Trinidad	Trin. & Tob. $	2.40
[illegible]	[illegible]	Monaco	French Franc	[illegible]	Tunisia	Tunisian Dinar	0.4124
[illegible]	[illegible]	Mongolia	Tugrik (m)	[illegible]	Turkey	Turkish Lira	16.77
[illegible]	[illegible]	Montserrat	E. Caribbean $	[illegible]	Turks & Caicos	U.S. $	1.00
[illegible]	[illegible]	Morocco	Dirham	[illegible]	Tuvalu	Australian $	0.9676
[illegible]	[illegible]	Mozambique	Moz. Escudo	[illegible]	Uganda	Ug. Shilling	8.2995
[illegible]	[illegible]	Nauru Is.	Aust. $	[illegible]	Utd. Kingdom	£ Sterling*	1.6716
[illegible]	[illegible]	Nepal	Nepalese Rupee	[illegible]	Utd. Arab Emir	UAE Dirham	4.014
[illegible]	[illegible]	Netherlands	Guilder	[illegible]	USSR	Rouble	0.7300
[illegible]	[illegible]	Neth. Ant'les	Antillian Guild	[illegible]	Upper Volta	C.F.A. Franc	249.85
[illegible]	[illegible]	New Hebrides	Aust. $	[illegible]	Uruguay	Urug. Peso (m)	3.84
[illegible]	[illegible]	[illegible]	Fr. Franc	[illegible]	Vatican	Italian Lira	863.62
[illegible]	[illegible]	N. Zealand	NZ $	[illegible]	Venezuela	Bolivar (m)	4.29
[illegible]	[illegible]	Nicaragua	Cordoba	[illegible]	Vietnam (Nth)	Dong (m) (o)	2.7400
[illegible]	[illegible]	Niger Rp.	C.F.A. Franc	[illegible]	Vietnam (Sth)	Piastre (o)	[illegible]
[illegible]	[illegible]	Nigeria	Naira	[illegible]	Virgin Is. U.S.	U.S. $	1.00
[illegible]	[illegible]	Norway	Nrwg. Krone	[illegible]	Western Samoa	Samoan Tala	[illegible]
[illegible]	[illegible]	Oman, Sultanate of	Rial Omani	[illegible]	Yemen	Ryal	4.55
[illegible]	[illegible]	Pakistan	Pkst. Rupee	[illegible]	Yugoslavia	New Y Dinar	18.25
[illegible]	[illegible]	Panama	Balboa	[illegible]	Zaire Rp.	Zaire	0.5677
[illegible]	[illegible]	Papua N.G.	Kina	[illegible]	Zambia	Kwacha	0.7938
[illegible]	[illegible]	Paraguay	Guarani (m)	[illegible]			
[illegible]	[illegible]	P'ple D. Rp. of Yemen	S. Yemen Dinar	[illegible]			

(m) Multiple exchange rate system. (n) Official rate. * U.S. dollars per sterling unit

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INTL. FINANCIAL AND COMPANY NEWS

U.S. FARM EQUIPMENT

Reaping Europe's harvests

BY JOHN EDWARDS, COMMODITIES EDITOR

AMONG THE MANY agricultural companies seeking the attention of European buyers at this week's Royal Smithfield Show in London is the leading U.S. farm equipment manufacturer—John Deere—attempting to make up for its late entry in international markets compared with its better known competitors. Deere plans to feature several new models including a combine with an automatic levelling system for harvesting crops on sloping hillsides—a machine claimed to be unique in Europe so far.

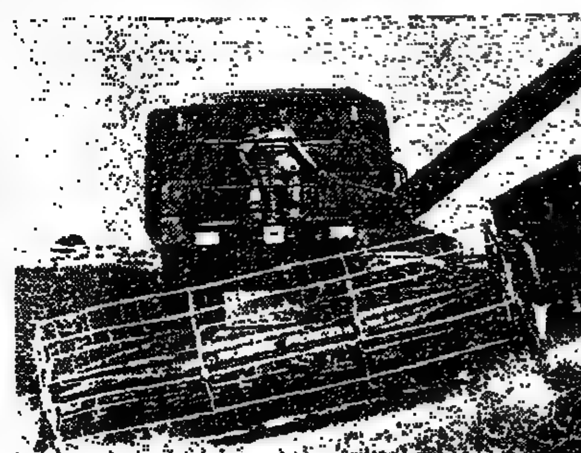
Deere has just suffered a five-week strike by 27,000 employees in the U.S. over the renewal of a new three-year labour contract, but according to the company, the main result of the strike was to reduce dealers' stocks rather than create any shortages. In any event Deere is at present in the middle of a $400m. expansion plan to raise output.

The company has prospered greatly in the past five years from *the boom in U.S. farming* providing a better domestic market than was dreamed possible, based on past experience.

The world grain shortage, created largely by the agricultural setbacks in the Soviet Union, has helped the U.S. become the major source of supply on which the rest of the world relies. As a result American farmers have been able to achieve prices for their grain, soyabeans and cotton well above previous levels and this in turn has benefited the supplying companies closely linked with agriculture, such as John Deere.

Earnings are reported to be substantially higher and sales are forecast to have topped the $3.1bn. mark against $2.95bn. in the *previous 12-month period*. In the nine months to July 31, net sales rose to $4.42bn. against $2.1bn. previously, and net income per dollar of sales rose to 8.5 cents compared with 6.4 cents.

Since 1972 the group's annual sales have more than doubled from $1.5bn. to over $3bn., and this year earnings are expected to exceed $200m. compared with $100m. four years ago. But most



The John Deere 965H sidehill combine.

important, the company feels these figures help kill its previous image of being dependent on cyclical swings in the fortunes of farmers.

Although starting international operations much later than its main competitors, such as International Harvester and Massey Ferguson, John Deere has established a manufacturing plant in Mannheim, Germany, and built up a significant share of the tractors and farm equipment markets throughout the world. In the U.K. Deere claims sufficient progress, capturing *over 10 per cent. of the market* in which it is competing.

Deere had originally decided to put its main European headquarters in Britain, which is the centre of operations for most of its rivals. But after a plan for a U.K. factory in Scotland agreed with the Labour Government of the time had been revoked by the following Conservative Government, it was decided to go to West Germany instead. An attempt to merge with the agricultural division of Fiat ended in failure, so the company is now committed to building up its own overseas trading, using its own resources and expertise.

Mr. W. Hewitt, chief executive of the group for the past 21 years, claims that the group's late start in going overseas compared with its competitors is not necessarily a disadvantage. The group has built up its sales in the U.S. using a basic policy of producing "big ticket" well-designed machinery, while establishing close links with dealers in the distribution network. It is following the same policy in overseas markets and leaving the smaller tractor market to its competitors already well established in supplying them.

Deere is convinced that farm machinery overall will inevitably have to become more sophisticated to meet modern needs. It foresees some radical changes as space age *technology* is applied to farm machines, not only for ploughing and harvesting, but also for seed planting, spreading fertilisers, crop spraying and soil testing. This will involve much more push button control and monitoring devices, which the big manufacturing companies like Deere will have to develop. Already the company spends more on research and development than it pays out in dividends to shareholders.

Deere has particularly associated itself with the trend towards bigger machines, which it claims helps farmers to save valuable time, often when the time for harvesting, for example, is limited by the vagaries of the weather. Certainly, likely forecasts for further sales in *Europe and North America* confirm the trend is towards fewer, but larger, units.

The underlying philosophy is that farming will need to become more and more industrialised if the world's increasing food needs are to be met in the future.

As Mr. Rewitt pointed out the great majority of crops to meet the demands of a growing world for more and better food will have to come *from* the so-called "green belts" between the 30th and 55th parallels of the northern and southern hemispheres. Within the northern "green belt" is the U.S. which has a unique mixture of soil and climate needed to produce the kind of bumper crops which already provide a large proportion of the world's grain needs. The *other* main potential grain producing area—the Soviet Union—is hampered by poor infrastructure that will take many years to improve and the unsolvable problem of a short growing season.

Xerox and Kodak in copier deal

By Jay Palmer

NEW YORK, Dec. 9.

XEROX, the world's largest maker of office copiers, announced this evening that it has just signed an agreement with Eastman Kodak which *provides* for exchanges of world-wide patents on each company's line of office copiers.

The agreement specifically provides for such patent swaps on a one-for-one basis. Each and every time one of the two companies elects to obtain a specific patent license, the other company automatically receives the right to obtain a *similar license.*

The deal, which some suspect may be challenged by the U.S. anti-trust authorities, covers all patents issued to both companies on office copiers, consumable supplies or copiers and their photosensitive elements applied for prior to July 1978.

The swap has already been put into effect. This evening Kodak said it had asked for and has received one non-exclusive royalty-free and ten non-exclusive royalty-bearing licenses under 11 existing Xerox patents.

In return Xerox has received a non-exclusive royalty-free license under one Kodak patent. It has also automatically received the right to obtain in the future an additional number of royalty bearing licences.

The actual licences exhanged under this sheme were not revealed by either company. However it has been strongly hinted that the licences obtained by Kodak all apply in one way or another to Xerox's highly sophisticated 9200 dublicator. In return Kodak has given Xerox the licence for the document fed to its 150AF Copier.

Under the terms of Xerox's anti-trust consent decree with the Federal Trade Commission lastQ year, the huge copier company agree dto exchange and make its existing patents available to competitors. Thus it loks as if Kodak could have got Xerox's patents without *giving up its own.*

This evening, it is being suggested that the agrement is much more than just a swap of high technology. What the deal does do is remove for both companies the danger that future technical developments of their own could infrange the other company's existing patents and this expose the new product to time-wasting legal challenges.

While arguably neither Xerox or Kodak may have too much to gain directly in technical terms from this exchange, they have both obtained the freedom to introduce future equipment that infringes the other patents. Since the swaps exercised so far all apply to the fastest growing copier market, the high technology copier duplicators, it looks as if this will be a key area of future expansion.

In terms of precedents for this deal, Xerox confirmed that it does have similar but far less encompassing agreements with other companies. Arguing that the patent protection umbrella is to-day far less important than it used to be, the company noted that in the computer hadware field, International Business Machines has very similar cross-licensing agreements with other companies.

Schlumberger split

SCHLUMBERGER said it declared a three-for-two stock split, payable January 17, record December 20, reports Reuter from New York.

Juvena was on the brink of bankruptcy

By John Wicks

ZURICH, Dec. 9.

THE SWISS cosmetics concern Juvena was on the brink of bankruptcy six months ago. This was stated by Dr. J. von der Mühll, vice-president of Juvena Holding, at the annual general meeting here to-day.

To-day, following the agreement for the takeover of 51 per cent. of the company's subsidiaries by the British American Tobacco group, Juvena hopes that in six to eight years' time its capital will be not only intact but also liquid and disposable, Mr. von der Mühll claimed. For Juvena to have attempted to go it alone would *have been very risky* and a reduction of the disproportionate indebtedness would, even with the most optimistic plans, have taken years during which the shareholders would have received nothing.

Interest rate differential spurs Australian borrowing

BY JAMES FORTH

SYDNEY, Dec. 9.

THE DEVALUATION of the Australian dollar on November 28 made one import to Australia cheaper—*money*. Australian companies are now displaying a keen interest in bringing in cash from abroad as quickly as possible: the iron-ore producer, Hamersley Holdings, has already announced a $U.S.80m. Eurobond borrowing.

The issue was not prompted by the devaluation. The funds will go towards the $A250m expansion programme announced by Hamersley recently to boost its iron ore output and the company had been working on the loan for some time. But devaluation brought forward the timing of the issue.

There is currently a differential of between 3 and 4 percentage points between Australian domestic rates and those which can be obtained abroad. Hamersley, for instance, is looking at 8.5 per cent. for $U.S.40m. of 7-year notes and 9.5 per cent. for $U.S.40m. in 15-year debentures.

As part of recent monetary measures both before and accompanying the devaluation, interest rates have been pushed up sharply in Australia. Because of the depressed state of the Australian economy demand for fixed interest funds has been weak but the long rate should have risen by at least one point over the past month or so; it is now probably somewhere between 12 per cent. and 14 per cent. With the risk of devaluation largely removed the interest rate differential now appears decidedly attractive, and even if Australia were to devalue again in a couple of years' time, borrowers should still be well protected.

A belief that the Government had over-done things with a 17.5 per cent. devaluation added to the attractions of borrowing abroad.

Any revaluation would mean profits for those borrowers fast enough off the mark.

Moreover, the size of the devaluation increased the possibility that overseas investors would send funds quickly to Australia to take advantage of the higher interest rates thereby inviting in turn the re-introduction of capital controls by the Australian Government.

It is suggested within the capital markets that the monetary authorities were deluged with a flood of applications by Australian companies within the first few days of devaluation seeking permission to borrow overseas. Among the names mentioned are several of Australia's largest companies including Broken Hill Proprietary, CSR, Utah, and Western Mining Corp. Companies of this calibre would be able to go the public fixed rate Eurobond borrowing route.

Because the funds could be arranged much quicker, it is possible that *many* companies will seek Eurocurrency borrowings at floating rates, rolling over at specified intervals. It is suggested that applications already total several hundred million dollars—perhaps as much as $A1bn. Not all those with applications in will ultimately borrow but the authorities were apparently surprised and somewhat alarmed at the almost immediate steps to bring funds in from abroad after the devaluation was announced.

This would have boosted the money supply and increased inflationary pressures unless the Government made a stringent, and pyschologically demoralising credit squeeze.

The sudden revaluation of 2 per centage points, only nine days after the devaluation seems at least partly inspired by the rush abroad by Australian companies for foreign debt.

SOUTH AFRICAN COMMISSIONS

Grasping the nettle

BY RICHARD ROLFE IN JOHANNESBURG

AFTER several years of attempts to regulate commission levels in the South African insurance industry, the Government has grasped the nettle and opted for a wide range of controls which limit drastically the level of commission payable to brokers in both long- and short-term business. In the Parliamentary session which ended earlier this year, the Ministry of Finance was voted powers to impose statutory limits on commissions, acting through the Registrar of Insurance Institutions, and it has lost no time in using its new powers.

Disagreement

Yesterday's announcement from the Minister of Finance, Mr. Owen Horwood, records that the insurers themselves have been unable to reach any agreement on voluntary controls. In addition, although a meeting last week of the Life Offices Association agreed to voluntary limitation within a scale requested by the registrar by the necessary three-quarters majority, some insurers refused to be bound by the decision. In the circumstances, the Ministry considered it had no alternative but to proceed with statutory regulations.

The new maximum commission rates bear most heavily on whole life and endowment policies and retirement annuities. The first year's commission on whole life and endowment policies is to be restricted to 3½ per cent. of the annual premium for each year of the contract, subject to a maximum of 85 per cent., while on retirement annuities the restriction is to be 3 per cent., subject to a maximum of 75 per cent. of the annual premium. These limits take the place of commissions which in the past have been as high as 125 per cent. of anual premiums—based on a complicated scale which had the effect of increasing the maximum according to the amount of business the life insurance broker wrote.

As a broad generalisation, the new arrangements will favour the mutual companies such as Old Mutual, or Sanlam, and the agent-orientated public companies such as Prudential, African Eagle, and Commercial Union. It will prejudice the operations of other companies like Liberty Life, an associate of Guardian, and Guarantee Life, which have developed largely broker-orientated businesses.

On the broking side, the major companies, such as Price Forbes, which are mainly involved in short-term insurance, will probably run their life side at best at break-even point. But the specialised life insurance brokers, of which a number have grown up in recent years, say they will be unable to continue operations in their present form. The 85 per cent. maximum commission on life contracts translates back to an average commission of about 45-50 per cent. which is insufficient to cover overheads.

Independent brokers claim that there is an obvious inequity in equating their income with agents when many of the latter enjoy benefits such as cheap housing finance, cars, and the like, and they allege that allowing for these the cost to agent-orientated companies range much higher than 85 per cent. of the annual premium. The new regulations skirt round this point by promising to seek "equivalents of income." In addition, they claim that many innovations within the life industry—notably disclosure of "allocation amounts," or the sums invested on behalf of policy holders after expenses—have arisen as a result of broker pressure. To this the agent-orientated insurance reply that the brokers have merely acquired "power without responsibility."

The irony of the whole situation seems to be that the regulation now to be implemented is intended to be in the public interest. But on average commission costs are running at no more than 4 per cent. of the total value of a life policy. The effect of the commission limitations will be to cut this figure back to about 3½ per cent. It must be doubtful whether the public will see much of the savings, which are likely to be absorbed by the big groups in additional expenses.

A better way

Killing the independent life-insurance broker simply means that more policies will be sold on behalf of particular companies by agents—whose average career in life insurance lasts no more than a year—instead of by highly specialised consultants who can advise clients on the best policy across the whole industry. In this respect, a better way of protecting the public interest might have been to impose some system of qualifications and licensing for insurance salesmen of all categories. In conditions where benefits from conventional policies can vary immensely, loss of specialisation seems a high price to pay in pursuit of cost reductions which may well prove illusory.

هكذا من الأصل

UGE PROJECT. REE COMPANIES FORMED O PARTNERSHIP. OOK FUNDS. IT TOOK EXPERTISE. OOK CHASE.

l to review the raw material availability, the competitiveness of the project, acity of the operators and keting arrangements for the products," says Chase.

It started with Ekofisk, one of the richest oil fields in the North Sea. Three Norwegian companies agreed to take the oil by-products and help turn them into plastic.

Norsk Hydro, Statoil and Saga Petrokjemi chose Chase to advise how the project should be structured financially and to raise funds internationally. They knew we had the means.

One of our relationship managers was put in charge. His job was to look at the viability of the whole project. Then to look at the different sources of finance. And finally to assemble a package. He called in the bank's petroleum experts to assess the availability of raw *materials*.

He called in our petrochemical experts to look at the project as a whole and together with independent petrochemical consultants to look at the polyolefin plants and their prospects.

He called in our merchant bank, Chase Manhattan Limited, to help structure and eventually place Euroloans totalling over $150 million in the international markets.

Two Norwegian banks worked on the domestic financing and assisted him in assembling the total package.

The project was big, ambitious and complicated.

That is why we are telling the story in this advertisement.

Just an example. The Bamble Project.

Chase people on the Bamble Project from left to right: Andrew Greatrex, Executive Director of Chase Manhattan Limited, George Thiel, Head of the Nordic Area, Jim Adamson, Head of the European Petroleum Division Andre Brand, Chase Relationship Manager.

and four months Andre Brand lived usly with the Bamble Project. Between and March 1976 the giant petrochemical g in the folds of what was once virgin gian fjord, occupied around f his working life. "I have lost count of mes I went to Norway in connection t, but it must have been more than 25" ed Brand.

rt was devoted to the assembling of two packages totalling over $150 million, for etrochemical man but a Relationship se Manhattan Bank's Nordic Area, . It was a measure of the complexity of t that he and several other senior *different* parts of the bank should have hemselves to it for so long.

IPANIES RSHIP

ecame involved when the Bank was otential source of credit by Norsk Hydro, t company and one of three companies *l forces* to build a huge new complex of nmunity of Bamble. The others were wegian government-owned oil company and Saga Petrokjemi, part of the Saga group formed by 96 leading Norwegian companies to participate in the development of North Sea petroleum resources; Bamble was to be a major step towards establishing a large petrochemical industry based on Norwegian sector feedstocks.

The approach to Chase reflected the bank's increased involvement in the Norwegian market during the last three years. Previously Chase had arranged a $200 million syndicated Eurocredit for Norsk Hydro in 1974. "After what we had already done in international petroleum financing, the three partners were prepared to give us first chance with Bamble", Brand says.

THE PROJECT

Bamble was designed to exploit by-products of the oil produced by the Ekofisk field in the North Sea.

Ekofisk is located in the Norwegian sector but it had proved technically more convenient to pipe the oil ashore at Teesside in England rather than in Norway.

The Norwegian government agreed to this arrangement on the understanding that the natural gas liquids would be brought back in tankers to a petrochemical complex built on a green-field site in Norway. Bamble was chosen among other reasons because it was located on deep water and Norsk Hydro's large chemical plant complex at Porsgrunn across the fjord and the industrial environment in this area provided some of the necessary infrastructure for a large project such as this.

Part of the Bamble-plant site, a farmland adjoining a Norwegian fjord.

The project involving the three companies as partners comprised two stages. First was to be an ethylene plant. Its production target was 300,000 tons a year of ethylene and 50,000/70,000 tons of propylene. Half the ethylene would be absorbed in a Norsk Hydro vinyl chloride plant which was to be built nearby and the other half in the second stage polyolefin plants. This second stage would produce plastics suitable for ultimate conversion into a wide range of consumer and industrial products.

A PROPOSAL

The objective was clearly defined. One question was how to finance it. The three partners invited Chase to look at the project and come up with a proposal for an international financing.

Chase's philosophy when dealing with projects like Bamble, points out George Thiel, head of the Bank's Nordic Area, is centred upon its concept of the Relationship Manager. "It is not a question of sending a man in to do one deal, take a fee and then get out. The leadership of the team comes from the man who has the long-term relationship with the customer", he says.

continued...

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Up further 7.48 in 31m. share volume

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Dec. 9.

FURTHER GAINS were scored across a broad front in heavy trading on Wall Street to-day when Institutional investors were coming back into the market with confidence in President-elect Carter continuingt o grow.

The Dow Jones Industrial Average rose another 7.48 to 970.74 and the NYSE All Common Index moved up 28 cents to $56.21, while rises led falls by a two-to-one majority. Trading volume spurted ahead by 7.24m. shares to 31.8m.

Late in the day, the newly designated Budget Chief for the Carter Administration said a $15bn. package of tax cuts, increased Federal spending and investment credits probably will be proposed in order to get the economy rolling again.

Another Carter Economic Adviser, Walter Heller, said that the best first step in curing the economy's ills would be a $12bn. 1976 Income Tax Rebate, plus an increase in the current Investment Tax Credit for business to 15 per cent. from 10 per cent. for 1977 and 1978.

Mr. Heller also said, however, that whatever policies are effected, Carter's economic plans won't have a major impact until late 1977.

Motors, Chemicals, Petroleums, Aircrafts, Retailers, Drugs and Banks were all higher.

Du Pont rose $2½ to $130½ and Union Carbide $¾ to $57⅞.

Sears gained $1 to $69½, and Kresge $¼ to $42¾.

Caterpillar Tractor were off $⅞ at $54¾ on some analysts estimates that earnings will "flat" this year and next.

Warner-Lambert moved up $⅞ to $30¼—its Parke Davis Unit won a round in its battle with the FDA regarding the selling a non-prescription cough syrup.

Flintkote gave way $1½ to $21½—it will liquidate its remaining cement plant in Middlebranch, Ohio.

Central Soya lost $½ to $14—it sees sharply lower quarterly profits.

THE AMERICAN SE Market Value Index added 1.11 at 102.80, while advances led declines by 481-to-234 and volume rose to 3.76m. (2.90m.) shares.

Mite climbed $1⅝ to $7¼—it will exchange New 10 per cent. debentures for up to 1m. Common shares.

THURSDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Occidental Petrolm.	719,200	22	-⅛
Sony	407,600	9½	+⅛
Amer. Tel Tel.	394,300	63½	+⅛
Mgic Investment	311,000	19	+⅛
Dow Chemical	304,300	40¼	-⅜
Exxon	288,600	52	+⅜
General Motors	261,100	73½	+⅞
General Electric	236,100	52⅞	+1¼
Tandy	229,500	37⅞	-⅛
Transamerica	234,900	14½	+⅛

OTHER MARKETS

Canada mostly off

Canadian stock markets were mostly lower in moderate trading yesterday.

The Industrial Share Index lost 0.82 to 167.40. Base Metals 0.27 to 76.05, Utilities 0.77 to 137.79, Banks 0.56 to 227.67 and Paper 0.80 to 104.41. But Golds moved up 5.55 to 313.20 and Western Oils advanced 5.35 to 211.76.

Dome Petroleum jumped 1¾ to $36, Aquitaine gained $1¼ to $16¼, Bow Valley were up $⅞ at $21⅞ and Ranger Oil advanced $1 to $18½.

Seagrams shed $¼ to $21⅞, Bell Canada $⅜ to $46½, and Canadian Pacific $⅛ to $15⅜.

PARIS—There were no official Bond or share quotations yesterday, owing to a strike by Bourse employees in protest against the proposed reform of the Bourse leading to a unified cash-only market.

BRUSSELS—Mostly higher after lively trading, reflecting interest rate cuts announced by the Central Bank.

Steels were steady to firm. Electricals and Utilities rose, Non-Ferrous Metals were little changed, Chemicals were generally firm. Holdings higher, while Oils advanced modestly.

U.S. shares gained ground among steady to higher Internationals. South African Golds responded favourably to Wednesday's IMF gold auction. French and German shares were little changed, Dutch issues were higher.

OSLO—Bankings and Industrials were unsteady, Shippings quiet, Insurances steady.

VIENNA—Lower on increased selling pressure. Leading industrials were mixed.

AMSTERDAM—Further advance over a broad front.

Most Internationals gained ground.

Banks moved up. Algemene Bank Nederland was lifted Fls.11 and Amsterdam-Rotterdam Bank firmed Fls.0.88. Insurances rose. Amev held unchanged at Fls.50.5, following its first nine months figures and earnings rise forecast for 1976.

COPENHAGEN — Generally higher, although though Industrials were mixed.

Germany—Most leading shares gained slightly on some Investment Fund demand.

Among Steels, Mannesmann firmed DM1.50 and Thyssen DM1.20, while in Motors Daimler put on DM0.5 after its announcement it expects higher 1976 profits.

Engineerings and Stores were irregular. GHH rose DM2.50, following a rise in group net profits in the year to June 30.

Conti Gummi fell DM3.80.

Public Loans were mixed to lower. The Regulating Authorities bought DM2m. nominal of stock. Foreign Mark Loans were little changed.

SWITZERLAND—Local shares moved slightly higher over a broad front in active trading.

Major Banks recorded small gains and Financials were generally up. Insurances firmed and leading Industrials generally edged higher.

In the Foreign sector, Dollar stocks rose on good support, Dutch Internationals were slightly higher, while Germans were narrowly mixed.

MILAN—Prices lost nearly 3 per cent. on profit-taking and technical sales.

TOKYO — Market continued higher in buoyant trading with buying spreading from Blue Chips to "lower-priced" issues. Volume 430m. (same) shares.

Oils moved up on expectations of the OPEC crude oil price expected later this month would be moderate, while Constructions gained ground in anticipation of a reflationary National Budget.

Komatsu rose Y10 to 340, mainly on Foreign buying, while Kirin Brewery advanced Y13 to 417 and Riccar Y12 to 244.

HONG KONG—Higher in moderate trading.

New World put on 1 cent to $HK1.46, Hutchison 5 cents to 3.29, Swire Pacific "A" 5 cents to 9.40, Jardine 10 cents to 16.90, Hong Kong Telephone 50 cents to 28.60 and Hong Kong Dock 10 cents to 10.10.

But China Light lost 10 cents to $HK17.80.

AUSTRALIA — Markets rose further under sustained overseas and local Institutional buying. Leading Mines and selected Industrials led the gains.

News that the Australian Trade Unions Council Executive will allow current uranium sales contracts to be honoured boosted EZ Industries 18 cents to $A3.0, Peko-Wallsend 27 cents to 4.22 and Queensland Mines 15 cents to 1.70.

Other Minings gain edon the firmness in Base Metal prices: MIM moved up 15 cents to 2.50, B.H. South 10 cents to 1.45 and Central Norseman 15 cents to 2.65.

BHP were lifted 38 cents to $A7.54.

Coals were in demand, with Utah rising 10 cents to 4.85 and Thiess 8 cents to 2.02.

JOHANNESBURG—Gold shares moved off the top following small profit-taking.

Financial Minings were steady at higher levels, Coppers were mixed, while Platinums were fractionally higher. Other Minerals were generally harder.

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
♦ DM50 denom. unless otherwise stated
♥ Ptas.500 denom. unless otherwise stated
♣ Kr.100 denom. unless otherwise stated.

Gold firmer

Gold gained $1 to close at $136¾-137¼ in the London bullion market yesterday, following the latest gold auction by the International Monetary Fund. The finishing price in London was slightly above the level at which the metal was sold at the auction, but trading was generally fairly quiet.

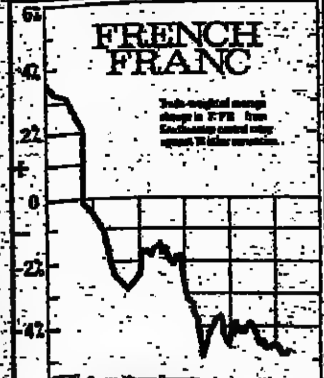
The krugerrand's premium over its gold content widened to 3.37 per cent. from 3.21 per cent. for domestic and international delivery.

Sterling showed little change in quiet trading in the foreign exchange market. The market remained nervous ahead of conclusion of Britain's loan negotiations with the International Monetary Fund, measures to solve the problem of the sterling balances, and the Government's expected economic package. The pound opened at $1.6695-1.6705, and eased to $1.6680-1.6690, before touching a best point of $1.6775-$1.6785 at lunch time. It eased to $1.6740-1.6750 by mid-afternoon and closed at $1.6705-1.6715, a fall of 5 points on the day.

Sterling's trade-weighted average depreciation since the Washington Currency Agreement of December 1971, as calculated by the Bank of England, was unchanged at 44.7 per cent., after standing at 44.6 per cent. at noon and 44.8 per cent. in early dealings.

The U.S. dollar tended to decline against most major European currencies, but its trade-weighted depreciation since the Washington Agreement, as calculated by Morgan Guaranty, recorded little change at 0.32 per cent., compared with 0.31 per cent. previously.

The French franc improved, possibly with the help of support from a European central bank. It finished at Frs.4.9855 against the dollar, compared with Frs.4.9980 previously.



SPECIAL DRAWING RIGHTS RATES

One SDR is equal to	Dec. 9	Dec. 8
Sterling	0.688806	0.690226
U.S. dollar	1.15251	1.15247
Belgian franc	42.2049	42.1919
Deutschemark	2.76602	2.76466
French franc	5.75203	5.76033
Italian lira	997.296	—
Japanese yen	341.373	341.765
Dutch guilder	2.88300	2.87887
Swedish krone	4.81461	4.81214
Swiss franc	2.82614	2.82735

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

EXCHANGE CROSS-RATES

Dec. 9	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Fr'nkfu't	—	2.4006-15	48.18-23	8.652-559	4.020-025	95.92-95.97	97.81-86
N. York	41.71-73	—	20.05-06	2.7347-57	1.6700-6715	40.04-.6	40.81-83
Paris	207.85-25	4.986 9867	—	13.619-6435	8.34½-35½	199.2½-6¼	203.13½-535
Brussels	15.24-28	36.62-46	7.33-36	—	61.20-42	14.62-68	14.91-95
London	4.00½-01½	1.6705-15	8.32½-33½	61.05-35	—	4.17½-18½	4.09½-10½
Am'rd'm	104.22.27	2.5002-27	50.11½-16½	3.8275-83½	4.1335-85	—	101.995-995
Zurich	102.21-28	2.4526-42	49.20-23	6.695-700	4.1065-95	98.09.17	—

GOLD MARKET

FOREIGN EXCHANGES

EURO-CURRENCY INTEREST RATES

FORWARD RATES

Indices

NEW YORK—DOW JONES

STANDARDS AND POORS

N.Y.S.E. ALL COMMON

MONTREAL

TORONTO

JOHANNESBURG

OVERSEAS SHARE INFORMATION

NEW YORK

CANADA

GERMANY

MILAN

AUSTRALIA

BRAZIL

JOHANNESBURG

BRUSSELS/LUXEMBOURG

PARIS

TOKYO

SWITZERLAND

AMSTERDAM

STOCKHOLM

COPENHAGEN

SPAIN

OSLO

VIENNA

MINING AND RAW MATERIALS

Big expansion in British straw processing planned

BY PETER BULLEN

BY HARVEST time next year, Britain should have five more plants to process waste straw into a valuable animal feed.

BOCM-Silock, the animal feed company, which operates three processing plants announced yesterday it was investing another £3½m. in the five plants.

Mr. Francis Saint, chairman, said in London: "When the five new plants come on stream we will have the capacity to process 200,000 tons of straw annually, and we expect to have more plants in operation by the harvest of 1978."

Production of NIS—nutritionally improved straw—was begun on an experimental basis in 1974 at a £300,000 pilot plant at Kimbolton, Cambridgeshire.

This year, two further plants were built in Yorkshire and Suffolk at a cost of £1.1m. The new plants will be sited, subject to *planning permission*, at Tholthorpe, Yorkshire; Gainsborough, Lincolnshire; Wisbech and Peterborough, East Anglia; and Chilbolton, Hampshire.

Mr. Saint said that among the advantages of the NIS system was that it made use of a waste product; prevented some environment pollution as the straw would otherwise be burnt and it created an animal feed which released something else such as imported soya for human food. It also helped to cut the country's import bill.

The company believed the technology it had developed could upgrade fibrous wastes other than straw and following inquiries from 38 countries had formed a subsidiary to market it abroad.

BOCM Silcock has been working on developing a leaf fractionation pilot plant. The £350,000 venture, which has attracted a £160,000 grant from the EEC Farm Fund, has been so successful that the company is about to invest on a commercial scale said Mr. Saint.

From ordinary lucerne they extracted a liquor, a high protein meal *similar to soya and a third* fraction similar to dried grass meal.

"If we can obtain high and low protein meals from temperature zone crops and do it economically we must be on to something. It's the combination of the NIS and leaf fractionation in one units that gives a high prospect of economic success," he said.

Meanwhile, from Australia, there have been reports of a further improvement in Australian wheat crop prospects this year which will mean a further addition to world stocks already forecast at a record level this season.

Reuter reports from Melbourne that the Australian Wheat Board has raised its 1976-77 crop estimate from 8.75m. tonnes to 9.95m. This compares with the *Board's initial forecast in August* of 7.75m. to 8m. tonnes and last year's crop of almost 12m. tonnes.

Mr. Jack Cass, Board chairman, said a generally favourable spring accounted for the substantial increase in the crop estimate. Export availability would *now be about 8.2m. tonnes* compared with the earlier estimate of around 7m.

Earlier, Australian agriculture authorities reported that further rains over the past month had greatly benefited most Australian oilseed crops.

NZ wool stockpile exhausted

PARIS, Dec. 9.

THE STOCKPILE held by the New Zealand Wool Marketing Corporation has been exhausted for all practical purposes, and supplies could only come from new production, Corporation managing director Mr. H. L. M. Peirse told the half-yearly meeting of the International Wool Textile Organisation here, reports Reuter.

Continued strong international demand and a reduction in supply have combined to raise New Zealand wool prices significantly, he said.

Total 1976 output is expected to be little different from last year's 311.8m. kilos, probably in the range 310m. to 315m. kilos. Total wool available for export would be down by about 15m. kilos, Mr. Peirse said.

Foreign exchange receipts for wool rose significantly over the last 18 months although in the year to September 30, 1976, wool receipts—which at $NZ553m. were 20 per cent. of total export receipts—had covered only the deficit on invisible transactions totalling $540m. The deficit on visible trade was $178m.

The Corporation bought about 5,000 bales up to November under its "extra choice" offer to buy direct from farmers. Interest has quickened recently.

Mr. Peirse said that only *nominal quantities* needed to be bid on and bought at auction under various forms of the Corporation's market support intervention policies.

In Australia, meanwhile, firmer prices were recorded at the Melbourne, Sydney and Portland sales. Japan and Eastern Europe were the main buyers at all three sales, supported by local mills.

Australian Wool Corporations purchases amounted to 4 per cent. at Sidney, 5 per cent. at Melbourne and 8 per cent. at Portland.

Prices were slightly dearer at South Africa's Durban and Port Elizabeth auctions compared with the last sale on December 7. The next South African sales will be held on *December 15*.

Japan sugar stocks rise

TOKYO, Dec. 9.

JAPAN'S STOCK of raw sugar *at the end of* September more than doubled to 443,000 tonnes from 215,000 tonnes at end of August, the Japan Sugar Refiners Association said.

The sharp rise in raw sugar stocks resulted from a 224 per cent. rise in imports during the month, the Association said.

Sugar refiners and trading houses stepped up the customs clearance of imported raw sugar within the 1975 sugar year (which ended in September) for fear that a sugar import surcharge might be imposed from the 1976 sugar year.

Total imports including 123,000 tonnes from Australia (up 93 per cent. from the preceding month), and 116,000 tonnes from Thailand (up 69 per cent.).

September production of refined sugar totalled 240,000 tonnes, up 24 per cent. from August, the Association said.

In Manila, meanwhile, President Ferdinand Marcos said *there is a possibility that the* Philippines may sell more sugar to China shortly, but he declined to give details.

He told a public servants' seminar the price for the deal is still under negotiation, adding there is also hope for sales to the Middle East and France. Reuter

Coffee hits new peak

By Our Commodities Staff

COFFEE FUTURES prices on the London terminal market reached record levels yesterday *following* a further substantial rise. The March position ended the day £26 up on balance at £2,476.5 a tonne.

Market sources were unable to pinpoint any particular reason for the rise, but suggested that it may have stemmed from New York's *overnight* permissible limit rise. Some dealers believed the advance was linked to higher prices received by producer countries for next year's shipments.

Cocoa values also opened higher in line with Wednesday's overnight tonne, but the trend was quickly reversed and nearby futures had moved the £30 permissible limit down by mid-morning. At the close, March cocoa was quoted £32.25 lower at £1,935.25 a tonne.

Tin led a general rise in base metals with cash standard metal ending the day £102.5 higher at £4,967.5 a tonne. The Penang price fell overnight, but not sufficiently to reflect Wednesday's fall on the London Metal Exchange, and London opened firm.

Dealers felt that Wednesday's fall may have left the market oversold and the resulting upward pressure was bolstered by covering purchases against physical sales.

Copper opened steady, but *fell in early dealings*. Selling pressure soon dried up, however, and chartist buying lifted cash wirebars to £796.5 a tonne, up £3 at the close. Lead and zinc followed the trend in tin and copper with cash lead ending £1.5 higher at £279 a tonne and cash zinc £4.25 higher at £387 a tonne.

Indian jute export plan

By Our Own Correspondent

NEW DELHI, Dec. 9.

INDIA'S COMMERCE Ministry has decided to allow the Jute Corporation of India to export 50,000 bales of raw jute during the 1976-77 period. The bulk of the exports will be to Russia, *Bulgaria and Poland under bi*lateral agreements.

Reports are that raw jute exports this year on payment of *convertible currency* are unlikely to be made owing to the deterioration of good quality fibre as a result of unfavourable weather conditions and post sowing floods.

The size of this year's crop is now estimated at 7m. bales, about 500,000 bales less than earlier expectations.

FARM MACHINERY

Switching to power brings rewards

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

MACHINERY at Smithfield this *year* reflects the obsession of farmers with size and power. Almost every tractor on offer is *more powerful, bigger and more* expensive than before, with far more sophisticated attachments, and the latest fad the Q-cab. A cab in which the operator can travel, listening to Top of the Pops, without the risk of being deafened, as he was in the older non-sound proofed machines, by the roar of the engine.

The cabs cost several hundred pounds extra, and are necessary. It is a black mark against the manufacturers I think that they took so long to come up with them. Were there a buyers' market for tractors, as there used to be, something might be knocked off the high prices.

But to-day, when by far the greatest proportion of any manufacturer's output can be sold abroad, their agents will not talk sensibly about prices. So tight is the market that discounts are difficult to negotiate, and a farmer without a discount is a *most unhappy man*.

Fortunately, I am not in the market this year, but I have been warned that prices will be much higher next year or the year after, and that perhaps it would be as well to change out my two-year-old machines before they show signs of wear. I am *also told that the best thing to* do with profits is to spend them in taking advantage of the 100 per cent. tax write off on new machines.

Overdrafts

This has been a *fine* concession, and I took full advantage of it to renew my equipment, which was worn out in the thin days before the Russians bought the American grain crops and so boosted our prices. But you need money to farm, as well as machinery and there is something to be said for paying some tax, corporation tax in the case of this farm, and having some working capital of ones own, *instead of spending overdrafts* at 17 per cent. to buy the fuel.

I was showing off my new machines to a friend, heavily burdened by *personal* taxation, and he exclaimed that I was fortunate to be able to spend my earnings in this way. But I pointed out I could neither eat, drink, live in nor sleep with my purchases and so they were really not concessions at all, but a necessary aid to efficient farming.

I went in for power—a four-wheel drive 110 h.p. tractor with all its machinery and one of 90 h.p. so displacing 60 to 70 h.p. *tractors*. This was *in the autumn* of 1974 when the wet weather was making autumn work as difficult as it has been this year.

The change has been all for the best. The 1975 autumn was easy and I had no trouble at all and finished the work very soon. This year everything was either planted or ploughed before the end of November and the men are on hedge trimming before the Christmas holiday. The work was done quickly and well, and what is most important at the right time.

CROWDS of farmers and other visitors continue to flock to the Royal Smithfield Show at Earl's Court, London. By the end of the fourth day yesterday nearly 63,000 had paid to enter compared with 57,585 at the *same time last year*. In addition, 7,000 overseas trade visitors have registered at the show, well above the record 4,305 for the whole five days in 1973.

This has been the great benefit. For the first time in my farming life I seem to be on top of the situation. The two tractors have the capacity of at least three of the older, medium powered machines, and because they are high powered they *seem to be able to work much* more easily and without the wheel spin that would wear out tyres too quickly. I was also amazed at the reduction in tractor hours the change has brought.

I used to reckon that the ordinary two wheel drive arable tractor would do 850 to 1,000 hours a year, but the four wheel drive machine has only done 1,160 in two years and seems to spend most of its time in the shed. *The tyres will last* for 1,500 hours instead of 900 on a two wheel drive machine, but of course there are four of them. I am completely sold on it and should have bought one sooner.

Some critics may say that the tractor is being under-used, and that the depreciation cost per hour worked will be *astronomic*. The answer to this argument is: keep it longer. It should last 10 years instead of five. But if everyone took this sensible course one wonders what would happen to the tractor makers.

Over ripe

My other main purchase was two combine harvesters. They are not the biggest available today, one of which should be able to cut my harvest under good conditions. But they are good machines and I have had the make for many years.

But unlike tractors, where one big one would probably do all my work if I wanted it to, combine harvesters should come in pairs. The British climate is *unpredictable, in the normal year* there are perhaps 10 or 12 fine days during August, and everyone of those days missed through breakdowns could cause a loss of substantial proportions if the grain is over ripe.

There is nothing that drives the farmer round the bend more *rapidly than the sight of his only* combine idle for repairs when a *front is coming up over the horizon*. As long as one machine is moving, there is peace of mind.

My other investment was palletisation with a tractor loader. No longer do we sweat away throwing nine or 10 tons *of bagged fertiliser* onto a trailer by hand every morning. Instead one man loads the pallets, while the rest of us *watch admiringly*, no one needs to lift anything.

All this has cost a great deal of money for machinery, which stands about for much of the year. Nor am I certain that I bought the very best on offer. My choice was guided by availability, and the fact that there is a local agent. *It is no good* buying a machine from an agent 50 miles away, because of the difficulty in getting prompt service when it is needed.

Russia orders Dutch broilers

ASTEN, HOLLAND, Dec. 9.

THE SOVIET Union has raised its order for broilers from the Dutch poultry firm, Goossens BV of Asten, to 12m., worth 36m. guilders (£8.7m.), from over 10m., worth G30m. (£7.24m.), which were *ordered early in November*, a Goossens spokesman said.

Deliveries of the broilers are scheduled to be completed next April 30. In the period from November 1 1.5m. have already been delivered. Reuter

COMMODITY MARKET REPORTS AND PRICES

1-351 3466 March Cocoa 1931-1939

GRAINS

SOYABEAN MEAL

SUGAR

COFFEE

SILVER

WOOL FUTURES

COTTON

PALM OIL

RUBBER

COCOA

MEAT/VEGETABLES

JUTE

PRICE CHANGES

GRIMSBY FISH—Supply very poor, demand good. Prices at ship's side unprocessed per stone: Shelf cod £4.20-£4.50; codlings £4.00-£4.50; large haddock £4.30, medium £3.50-£4.00, small £2.40-£2.90; best small plaice £4.50; skinned dogfish medium £2.90, large £4.00; saithe £2.00.

Farmers agree

THE EGG Authority's proposed levy, announced last week, of £3.60 for 100 chicks for 1977-78, was accepted by the National Farmers' Union yesterday.

Mr. Michael Weller, chairman of the NFU's Poultry Committee, said the committee had agreed that the new levy would enable the Authority to do its job. The money raised is used for advertising and market research.

"It was concluded that it was essential to provide the Authority with sufficient financial resources to enable it to perform a worthwhile function on behalf of the egg industry, and that a £3.60 levy would enable the Authority to do just that," he added.

FINANCIAL TIMES

REUTER'S

DOW JONES

MOODY'S

U.S. Markets

Silver firm after gold rises

NEW YORK, Dec. 9.

COPPER market closed unchanged after opening higher on Commission House liquidation. Gold was higher after announcement of higher than expected auction price. Silver was firm following gold. Grains were a little easier on local profit-taking. Coffee was firm on trade buying. Sugar was firm on trade buying. Bache reports.

Cocoa—Ghana spot 168½ (157 nom.), Bahia spot 156½ (155 nom.). Dec. 143.80 (140.80), March 141.80 (136.60), May 127.05, July 132.25, Sept. 137.40, Dec. 114.50, March 109.80 nom., May nil. Sales: 1,723.

Coffee—"C" Contract: Dec. 198.00-199.50 (197.00), March 193.50-195.80 (196.00), May 199.70-199.80, July 200.70-201.00, Sept. 201.20-201.40, Dec. 196.50-195.90, March nil. Sales: 1,648.

Copper—Dec. 58.20 (58.20), Jan. 58.40 (58.50), Feb. 58.90, March 59.25, May 60.20, July 61.20, Sept. 62.10, Dec. 63.10, Jan. 63.50. Sales: 2,436.

Cotton—No. 2: Dec. 77.00-78.28 (78.30), March 80.40-80.50 (79.81), May 80.95-81.00, July 79.90, Oct. 72.50, Dec. 67.75, March 67.70-67.50, May 67.65-67.60. Sales: 3,750.

*Gold—Dec. 138.00 (137.30), Jan. 138.30 (137.70), Feb. 135.60, April 139.80, June 141.00, Aug. 142.20, Oct. 143.50, Dec. 144.80, Feb. 146.10, April 147.40. Sales: 3,211.

Greasewool—Spot 170.0 bid (same), Dec. 165.0-173.0 (165.0), March 166.0 bid (169.0), May unquoted.

NOTICES

POLITAN BOROUGH

due on 9th March 8th December 1976 an average rate of were issued at totalled £15,000,000. Bills outstanding.

COMPANY NOTICE

UKO INTERNATIONAL LIMITED

Notice is hereby given that the Record Date and Time for preparation of the Interim Dividend payable on 11th February 1977, is Friday 24th December, 1976, at noon.

By Order of the Board,
J. F. GITTUS,
Secretary.

STOCK EXCHANGE REPORT

Equity markets turn dull on threat of miners' strike

Share index down 5.6 at 319.4—Gilts hold up well

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Nov. 29	Dec. 9	Dec. 10	Dec. 21
Dec. 13	Dec. 30	Dec. 31	Jan. 12
Jan. 4	Jan. 13	Jan. 14	Jan. 25

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Equity markets took on a distinctly dull appearance in the late afternoon yesterday. After showing a slightly easier bias in the course of a small two-way trade, leading equities encountered a fair amount of selling prompted by fears that yesterday's ballot by the miners will result in overwhelming favour of strike action in support of their claim for early retirement. The turnround in *sentiment was reflected in the FT* 30-share index which extended a minor loss of 1.2 at 2 p.m. to a fall of 5.6 to close at 319.4. The reaction however, was fairly modest in the light of the rise of 24.1 over the previous four trading days.

Activity in British Funds lessened considerably. Nevertheless, prices made a little headway throughout the list despite hesitating at one stage on the miners' strike threat. Underlying sentiment was helped by reports that the Cabinet had agreed on spending cuts and other measures which would satisfy the International Monetary Fund. The Government Securities index hardened 0.05 to 58.56.

Elsewhere, a lengthy list of com*pany trading statements* created a considerable amount of interest. Overall, the trend was to higher levels as reflected in the 2—1 majority of rises over falls in FT-quoted Industrials and a rise of 0.5 per cent. to *139.42 in the FT*-Actuaries All-Share index. There was little worthy of note sectorwise, but some recent speculative favourites encountered end-Account profit-taking. Official markings of 4,939 compared with 4,877 yesterday and 3,530 a week ago.

Business in investment currency was again on a moderate scale. Starting lower at 116¾ per cent., the premium was soon sold down to a low of 115¼ per cent. and traded around that level for most of the day before picking up *slightly to close* at 116 per cent. for a loss on the day of 1¼. Yesterday's SE conversion factor was 0.7191 (0.7165).

Banks little changed

After Wednesday's fluctuations on news of the imposition of stricter restraints on new lending, the leading Banks were fairly static yesterday but eased late to close with minor falls. Australian issues were generally firmer again with Bank of New South Wales up 10 more at 455p. Discounts *showed losses to 20p*, **Seccombe** Marshall being that amount off at 210 having risen that much on Wednesday, while falls of 3 were registered in **King and Shaxson**, 47p, and **Smith St. Aubyn**, 52p. In Hire Purchases, **Lloyds and Scottish** briefly touched 56p after the preliminary statement before closing 2 up on balance at 53p, while Cattle's (Holdings) ended unchanged at 17p, after 18p, despite the higher interim profit.

Insurances showed small gains in places, but **Phoenix** came back another 4 to 106p on the slowdown in the third-quarter profits growth and led to other minor falls in Composites. Elsewhere, Taisho Marine put on 19 to 835p.

Turnover was again brisk in Breweries and kindred trades but prices generally eased late with the general trend. **Bass Charrington** shed 3 to 78p and losses of 2 were recorded in **Arthur Guinness**, 111p, and **Scottish and Newcastle**, 45½p. **Allied** cheapened 1½ to 55¼p but, following the results, **Wolverhampton and Dudley** closed unaltered at 103p. **George Sandeman** eased 2 to 43p and **Distillers** 1½ to 114p. Demand continued, however, *for* **Arthur Bell** which put on 4 more to 152p, after 154p.

Buildings closed with the occasional small gain. **Armitage Shanks** became a steadier market, closing marginally better at 36p following the previous day's loss of 5¼ which followed the interim report. Satisfactory preliminary statements left *Liner Concrete* **Machinery** a penny firmer at 15¼p and **Burnett and Hallamshire** 2 better at 58p. **Whittingham** were raised 1½ to 7. **Marley**, at 38p, made no response to the preliminary figures.

ICI closed 7 cheaper at 296p, after 304p. Elsewhere in Chemicals, **British Tar Products** shed 2 *to 27p on the first-half profits setback.* **Crystalate**, however, edged up ¾ to 9½ in front of to-day's preliminary results.

After briefly touching 61p following that interim figures, **Associated Television 'A'** eased back on light profit-taking to close without alteration at 57p.

GEC active

After an active trade, **General Electric** ended at 161p, thus giving up 4 of the previous day's jump of 17 which followed the interim report and the statement about next month's capital reorganisation plans. Losses of 3 were seen in **EMI**, 212p, and **Plessey**, 50p, but **Reyrolle Parsons** closed that amount up at 109p, *after 114p, to the accompaniment* of vague suggestions that GEC might be interested in making a bid for the company's turbine interests. **Philips' Lamp** advanced 13 to 868p in front of to-day's interim dividend announcement, while rises of 4 were seen in **Rediffusion**, 61p, and **Chloride**, 83p. **MK Electric** hardened 2 to 79p with the help of call-option business, but *Muirhead*, a firm market of late, reacted 3 to 113p.

Although looking easier in the late trade, Stores still managed to finish with modest rises. After rising to 162½p in front of the interim statement, **Gussies A** closed a net 2 higher at 157p following interim figures which fulfilled market expectations. **British Home Stores** were finally *3 better at 131p, after 132p,* while similar gains were seen in **N. Brown**, 23p, and **B. Paradise**, 17p. **Mothercare** were also noteworthy with a rise of 8 to 188p. **Fairdale Textiles** continued firmly, rising a penny further to 16p despite the first-half profits setback. Other firm spots included **NSS Newsagents**, 2 up at 49p, and **Martin the Newsagent**, 4 better at 92p. **Freemans** (*London*) scored an above average gain of 6 to 112p in Mail Orders while Shoes edged higher with **Stylo** closing 1½ firmer at 17p.

Engineering majors moved with the general afternoon reaction and closed with minor losses, **Tube Investments** being the biggest casualty at 282p, down 4. Elsewhere, **Ductile Steels** stood out with a gain of 9 to 89p, after 90p, on renewed demand, while **Braham Millar** moved up 3 to 27p on the sharply higher first-half profits. Trading statements also prompted gains of around 2 or 3 in **Pegler Hattersley**, 132p, **Graham Wood Steel**, 28p, and **Baker Perkins**, 58½p, while **Ransome Hoffmann Pollard** ended a shade dearer at 50p following the *results. Hopes of a good profits* forecast in to-day's publication of the annual results to help reinforce the Board's rejection of the Johnson and Firth Brown offer helped **Dunford and Elliott** touch 37p before a late reaction left them only a penny up on the day at 35p. **Molins** did well at 109p, up 5, and **Staveley Industries** added 3 at 145p: the latter's *preliminary results are due* next Monday. After the proposed merger announced last month between Davy International and **Head Wrightson**, terms were announced yesterday for the preference shares: Head Wrightson 4½ per cent Preference rose 8 to 40p on them and the 6 per cent. Preference 13 to 55p. By way of contrast, **Spear and Jackson**, 92p, lost 6 of the recent rise which owed much to bid hopes and **A. Cohen**, at 140p, gave back 10 of the previous day's gain of 15.

J. Lyons featured Foods, rising initially to 54p on the interim report before dropping back to 44 and closing 4 easier on the day at 46p following a reasonable turnover. **Cavenham** shaded 3 to 85p, while **United Biscuits**, at 115p, gave up 6 of the previous day's gain of 9 which followed news that the company is buying Lyons' Wimpy franchise operation. **Associated Dairies** became an erratic *market and touched a 1976 peak* of 179p before closing a penny better on balance at 175p following a good two-way business. **Linfood**, interim results next Thursday, hardened 2 more to 205p, while **Taverner Rutledge** improved 7 to 96p with the help of call-option business. In Supermarkets, **Lennons** hardened a penny to 29p in front of to-day's interim statement.

Apart from *Ladbroke*, 1½ easier at 84p, Hotels and Caterers made modest progress. **Epicure** moved up a penny to 33½p, while rises of 3 were seen in **Savoy 'A'**, 34p, and **Myddleton**, 70p.

Misc. leaders down

Fears of a Miners/Government confrontation brough the recent rise in *Miscellaneous Industrial* leaders to a halt yesterday. After a firm start, prices drifted down during the course of a good two-way business to close at, or near, the day's lowest. **Glaxo**, after touching 393p, ended 7 down at 383p, while **Beecham** lost 6 at 356p, after 364p. **Trafalgar House Investments** closed a penny off at 88p following the uninspiring preliminary results. Secondary issues displayed a firmer bias. **National Carbonising** came in for a fair amount of support and rose 4 to 29p, after 30p, while **Dunbee Combex** were also popular at 174p, up 6. **Johnson Matthey**, 301p, **Lead Industries**, 116p, **Camrex**, 43p, and **J.H. Fenner**, 96p, all closed 4 dearer. **Hoover "A"** also gained 4, to 192p, for a rise on the week so far of 32 following a broker's circular. Press comment on the record results helped **Hanson Trust** improve 3 more to 104p and doubled preliminary profits left **Redfearn National Glass** a penny better at 81p. The big Australian concern **Broken Hill Proprietary** rose 20 more to 645p on further consideration of the recent 2 per cent. revaluation in that country.

Motors were active, but finished generally little changed on the overnight levels. **Lucas Industries**, exceptionally, improved to 193p before closing 4 easier on the day at 187p. **Rolls-Royce** were active and a fraction off at 50½p, while **Dunlop**, 67p, and **Fodens** 18p, shed 2 apiece. **Wilmot-Breeden** fluctuated narrowly in active trading before closing without alteration at 49p.

Routledge Kegan and Paul responded to the sharply increased first-half profits with a rise of 2 to a 1976 peak of 85p in Publishers, while Papers had a *couple of firm spots in* **Associated**, 1½ harder at 14½p, and **Bunzl Pulp**, 2 better at 85p.

BP above worst

Recent Press speculation about the probable sale of part of the U.K. Government's shareholding failed to generate much enthusiasm for **BP** which drifted quietly *down to 750p before rallying* late on fresh U.S. support to close only a net 4 easier on the day at 758p. **Shell Transport**, at 420p, gave up the previous day's rise of 8, while **Tricentrol**, at 81p, lost 2 of Wednesday's speculative gain of 5. **Burmah Oil** closed without alteration at 36p, after 35p. On a more cheerful note, **Oil Exploration** moved up 4 to 84p.

Properties again made an irregular showing with price movements limited to 3 either way. **MEPC**, 48p, **Peachey**, 42p, **Slough**, 60p, and **Stock Conversion**, 95p, all hardened, but **Haslemere** shed 3 more to 156p and **Hammerson A**, at 282p, gave up 3 of the previous day's rise of 5. Falls of 2 were recorded in **London Shop** and **McInerny**, 14p, although **Avenue Close** picked up 2 to 48p after recent dullness and **Churchbury**, still reflecting the impressive first-half result, gained 3 *more to 130p.*

Inchcape continued firmly in Overseas Traders, rising 4 to 424p for a two-day gain of 10. **Lonrho** were active and picked up 3 to 61p, but **Paterson Zochonis** retreated 5 to 130p.

Investment Trusts started the day well but tailed off with the general trend in the later stages. Capital issues were popular with **Channel Islands and International** 7 better at 225p and **Triplevest** 5 to the good at 81p. Among Financials, **London Merchant Securities** edged forward 2 to 26p on the higher first-half profits and encouraging remarks about second-half prospects.

Stag Line were prominent in an active Shipping sector and rose 10 to 103p on speculative buying in a thin market following the annual report. **Hunting Gibson** again did well at 139p, up 7, and **P & O Deferred** added 3 at 114p. *Recent high-flyer* **Common Bros.**, however, drifted down 3 to 150p.

With the exception of **Courtaulds**, which lost 3 to 77p in sympathy with the late reaction of other market leaders, Textiles displayed a firmer bias. Press comment drew buyers' attention to **Nottingham Manufacturing** which gained 3 to 52p, after 53p, while sharply higher first-half *profits left* **Shaw Carpets** 2 to the good at 21p. Further consideration of the interim figures helped **Cawdaw Industries** harden a similar amount to 22p and, news of the group's £2m. modernisation plans left **Sidlaw Industries** 3 up at 62p.

Tobaccos turned easier with **BATs Industries**, 280p, and the **Deferred**, 215p, losing 8 and 5 respectively. **Imps** softened 2½ to 63p.

Golds disappoint

It was a dull day for South African Gold shares reflecting early disappointment with the bullion price which was finally $1 up at $137.125 after a late rally. Despite the encouraging outcome of the fifth International Monetary Fund auction and the change in the timing of future auctions from six weekly to monthly intervals, dealers in both shares and the metal were cautious.

Business in shares was idle and modest offerings of stock generally left prices a shade below the overnight levels, with the Gold Mines index consequently 0.8 easier at 135.3.

Among the heavyweight issues falls of ¼ were registered in **West Driefontein**, £20, **Free State Geduld**, £11½, and **St. Helena**, £1[illegible], while, in the lower-priced stocks, losses of 10 were recorded in **Buffels**, 700p, and **East Rand Props**, 280p.

Financials lacked direction. After a firmer opening the London-based Finance Houses succumbed to profit-taking. **Gold Fields** closed a penny harder at 161p, after 166p, while **Rio Tinto-Zinc** ended 4 up on balance at 181p, after 186p.

The lower premium and arbitrage rate affected the overseas based issues like **Union Corporation** which lost 8 to 232p.

Coppers and Platinums remained subdued, but Tins generally improved. **Saint Piran** attained a new high of 49p before easing to close 7 higher on balance at 47p: half-year results are due next week.

Australians continued to gain ground, reflecting local and Continental demand and following the firm tone of overnight home markets. **MIM Holdings** rose 11 to 217p and **Western Mining** 8 to 154p. In Coals, **Oakbridge** gained 5 to 91p and **Thiess** 4 to 176p.

FINANCIAL TIMES STOCK INDICES

—	Dec. 9	Dec. 8	Dec. 7	Dec. 6	Dec. 3	Dec. 2	A Year ago
Government Secs.	58.56	58.51	58.56	58.57	58.28	58.22	58.53
Fixed Interest	59.18	59.18	59.18	59.17	58.05	57.93	58.61
Industrial Ordinary	319.4	325.0	319.8	310.1	305.3	300.9	368.1
Gold Mines	135.3	136.1	137.0	137.6	132.3	132.5	234.1
Ord. Div. Yield	6.85	5.72	6.82	7.01	7.13	7.20	5.87
Earning Y'ld % (full)(*)	21.46	21.05	21.36	21.96	22.32	22.55	16.29
P/E Ratio (net) (*†)	6.82	6.95	6.85	6.66	6.56	6.49	8.93
Dealings marked	4,939	4,877	4,640	‡5,856	5,626	5,830	5,674
Equity turnover £m.	—	65.96	54.71	36.43	42.55	35.15	61.20
Equity bargains total	—	12,541	11,168	9,210	9,360	8,171	14,878

10 a.m. 324.6. 11 a.m. 324.6. Noon 324.3. 1 p.m. 324.2. 2 p.m. 322.5. 3 p.m. 320.4.

Latest Index 01-246 8026.

* Based on 52 per cent. corporation tax. † Nil=6.75.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/10/55. SE Activity July-Dec. 1942. ‡ Corrected.

HIGHS AND LOWS

—	1976 High	1976 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	65.21 (30/1)	55.88 (27/10)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	64.43 (2/2)	55.37 (28/10)	150.4 (28/11/47)	50.53 (6/1/75)
Ind. Ord.	420.8 (4/5)	265.3 (27/10)	543.6 (13/6/73)	49.4 (26/6/40)
Gold Mines	246.9 (2/1)	78.6 (26/8)	442.3 (22/5/75)	42.5 (26/10/71)

S.E. ACTIVITY

—	Dec. 9	Dec. 8
Daily—		
Gilt-Edged	166.2	179.2
Industrials	165.4	157.2
Speculative	34.2	29.7
Totals	112.4	111.0
5-day Av'r'ge		
Gilt-Edged	174.0	170.6
Industrials	137.9	126.6
Speculative	29.3	26.8
Totals	99.8	93.4

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section. Thursday, December 9, 1976.

	Groups & Sub-sections	Index No.	Day's Change %	Est. Earnings Yield % (Max) Corp. Tax 52%	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) Corp. Tax 52%	Est. P/E Ratio (nil) Corp. Tax 52%	Wed. Dec. 8 Index No.	Tuesday Dec. 7 Index No.	Monday Dec. 6 Index No.	Friday Dec. 3 Index No.	Year ago (approx.) Index No.	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (176)	120.71	+2.1	22.56	7.89	5.59	5.54	118.28	117.24	114.88	114.07	188.56	160.06 (21/4)	100.86 (28/10)	206.37 (4/5/72)	50.71 (13/12/74)
2	Building Materials (30)	97.86	+0.6	23.72	9.87	5.34	5.33	97.36	96.77	94.97	93.97	131.19	150.16 (15/1)	85.58 (27/10)	253.84 (2/5/72)	44.27 (11/12/74)
3	Contracting, Construction (22)	149.99	+1.2	29.78	7.27	5.18	5.16	148.24	145.66	140.54	139.65	256.60	260.20 (15/1)	122.08 (27/10)	389.83 (19/5/72)	71.48 (2/12/74)
4	Electricals (16)	246.22	+6.3	18.11	5.76	8.21	7.89	231.58	230.32	226.51	225.70	234.58	287.30 (21/4)	190.54 (27/10)	350.04 (4/5/72)	84.71 (25/6/62)
5	Engineering (Heavy) (13)	151.55	—	31.89	8.66	4.56	4.50	151.60	149.66	145.31	143.64	165.11	195.18 (3/6)	125.56 (27/10)	202.57 (6/6/73)	64.39 (2/1/75)
6	Engineering (General) (66)	111.94	+0.5	25.22	8.35	5.36	5.35	111.35	110.27	108.09	107.87	118.45	149.29 (3/6)	95.20 (28/10)	168.59 (4/5/72)	45.43 (6/1/75)
7	Machine and Other Tools (9)	52.40	−0.4	18.67	8.48	7.91	7.89	52.63	52.47	52.07	51.87	49.05	60.62 (3/5)	46.29 (11/10)	155.70 (4/7/68)	19.96 (13/12/74)
8	Miscellaneous (22)	102.63	+0.8	21.81	8.92	6.70	6.65	102.02	101.05	99.20	98.66	117.44	141.94 (11/5)	90.22 (28/10)	177.41 (27/4/72)	49.65 (6/1/75)
9	CONSUMER GOODS (DURABLE) (53)	103.56	+0.1	24.07	6.93	6.22	6.22	103.28	100.82	98.01	97.43	112.45	141.46 (21/4)	88.12 (28/10)	227.78 (21/4/72)	58.39 (6/1/75)
10	Lt. Electronics, Radio TV (15)	111.66	+0.2	22.71	6.27	6.55	6.55	111.48	107.68	105.09	104.27	126.55	160.56 (7/4)	87.51 (27/10)	257.41 (18/5/72)	42.66 (13/12/74)
11	Household Goods (13)	115.86	+1.4	26.38	10.38	5.77	5.75	114.20	113.31	109.24	108.51	161.49	187.22 (7/4)	104.30 (28/10)	253.22 (4/5/72)	63.92 (17/12/74)
12	Motors and Distributors (25)	69.74	−0.4	25.23	8.16	5.95	5.95	70.04	68.83	66.90	66.71	65.28	85.16 (3/5)	56.10 (28/10)	170.59 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (170)	123.61	+0.8	18.31	7.82	6.26	6.17	122.64	122.54	119.30	118.37	145.96	162.24 (4/2)	104.41 (27/10)	226.06 (16/2/72)	61.41 (13/12/74)
14	Breweries (15)	134.84	−0.5	17.69	6.64	8.47	8.47	135.49	132.69	128.29	123.76	160.36	179.45 (2/2)	111.17 (27/10)	261.87 (29/11/72)	69.47 (13/12/74)
15	Wines and Spirits (6)	148.51	+0.5	16.20	7.63	9.47	9.47	148.10	145.51	140.35	136.57	164.87	190.67 (5/5)	124.71 (28/10)	257.40 (13/7/72)	78.88 (13/12/74)
16	Entertainment, Catering (15)	156.23	+0.2	16.91	6.56	9.02	8.94	155.84	154.40	150.07	149.04	181.12	211.26 (2/3)	127.11 (28/10)	389.99 (13/12/72)	54.88 (9/1/75)
17	Food Manufacturing (23)	159.50	+0.4	21.08	6.75	7.16	7.04	158.97	156.45	155.20	154.35	157.50	179.44 (11/5)	120.54 (27/10)	211.66 (1/6/72)	59.67 (11/12/74)
18	Food Retailing (16)	119.61	+2.5	16.37	6.64	8.96	8.96	116.68	115.33	113.73	111.71	139.49	150.06 (12/1)	92.79 (28/10)	235.09 (16/6/72)	54.25 (11/12/74)
19	Newspapers, Publishing (16)	182.02	−0.2	14.51	5.89	10.44	10.44	182.35	181.35	181.60	181.58	188.57	184.46 (11/5)	148.46 (12/10)	260.29 (18/1/73)	55.08 (6/1/75)
20	Packaging and Paper (12)	82.75	+0.1	21.58	9.75	7.11	7.11	82.69	81.69	81.67	81.58	99.12	112.50 (26/2)	72.34 (27/10)	135.69 (28/4/72)	45.46 (6/1/75)
21	Stores (34)	100.85	+2.8	15.31	7.08	10.06	10.04	98.12	96.05	93.18	92.15	119.68	135.24 (2/2)	78.47 (28/10)	204.39 (16/8/72)	52.63 (6/1/75)
22	Textiles (24)	106.97	+1.2	16.70	10.68	8.40	7.65	105.66	105.03	104.20	104.50	154.50	185.24 (30/1)	96.76 (27/10)	235.72 (17/1/67)	62.56 (11/12/74)
23	Tobaccos (3)	197.54	−1.2	22.18	8.75	6.71	5.71	200.02	195.56	190.05	189.86	206.48	241.98 (3/5)	157.36 (28/10)	539.16 (2/8/72)	94.34 (13/6/62)
24	Toys and Games (6)	70.42	+1.7	35.51	9.01	5.70	5.65	69.24	68.72	68.20	68.14	80.23	80.95 (16/7)	59.15 (22/1)	135.72 (16/1/70)	20.92 (6/1/75)
	OTHER GROUPS (95)															
25	Chemicals (26)	187.19	+0.1	17.27	6.17	7.66	7.66	187.00	183.15	179.14	177.43	190.79	251.58 (16/5)	155.10 (27/10)	251.58 (16/5/76)	71.20 (1/12/74)
26	Office Equipment (9)	64.90	—	16.62	8.14	7.65	7.65	64.87	63.95	62.15	61.67	86.40	100.16 (19/5)	58.55 (22/10)	246.06 (1/8/72)	45.34 (2/1/75)
27	Shipping (12)	361.67	+1.0	14.95	7.36	9.66	8.73	357.93	353.07	352.69	349.57	388.15	452.64 (30/1)	309.48 (29/10)	517.00 (9/12/72)	90.80 (29/6/62)
28	Miscellaneous (48)	129.11	+1.0	18.44	9.15	8.15	8.14	127.79	125.88	123.65	123.12	147.56	172.98 (4/5)	108.14 (27/10)	256.85 (2/5/72)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	128.87	+0.9	19.39	7.62	7.62	7.56	127.68	125.58	122.76	121.84	143.87	168.46 (30/1)	107.84 (27/10)	250.17 (1/5/72)	59.01 (13/12/74)
30	OILS (4)	400.57	−1.1	10.53	4.57	10.90	10.02	405.12	402.65	406.19	394.21	316.71	405.19 (6/12)	315.67 (11/10)	441.66 ([illegible])	87.23 (29/5/62)
31	500 SHARE INDEX	150.47	+0.5	17.87	6.98	8.10	7.95	149.70	147.56	145.09	143.41	156.21	[illegible] (30/1)	125.80 (27/10)	227.95 (16/8/72)	63.49 (13/12/74)
32	FINANCIAL GROUP (100)	105.65	+0.2	—	7.47	—	—	105.51	104.44	102.05	100.77	130.51	156.46 (30/1)	87.19 (28/10)	241.41 (1/5/72)	55.88 (13/12/74)
33	Banks (6)	127.80	−0.6	26.49	7.25	5.51	5.51	128.22	126.52	124.65	122.55	163.10	192.16 (29/1)	111.33 (5/10)	288.32 (20/7/72)	62.44 (12/12/74)
34	Discount Houses (10)	140.77	−0.4	—	9.90	—	—	141.36	136.27	131.10	131.10	164.45	186.52 (15/1)	97.72 (28/10)	293.13 (2/8/72)	81.40 (10/12/74)
35	Hire Purchase (5)	71.52	+4.8	10.12	9.17	22.00	22.00	68.26	67.34	66.55	66.55	103.64	152.10 (26/2)	65.25 (27/10)	433.74 (4/5/72)	38.83 (11/12/74)
36	Insurance (Life) (10)	89.12	+1.0	—	8.48	—	—	88.24	86.76	85.61	81.28	115.21	129.46 (30/1)	75.11 (24/10)	194.46 (15/6/72)	44.88 (2/1/75)
37	Insurance (Composite) (7)	82.91	+0.2	—	8.92	—	—	82.76	81.16	79.51	79.25	104.16	119.75 (30/1)	68.99 (29/10)	155.76 (21/4/72)	43.96 (13/12/74)
38	Insurance Brokers (9)	226.88	+1.1	15.25	5.14	11.50	11.50	224.38	221.70	216.19	214.85	216.61	276.90 (11/5)	178.27 (27/10)	276.90 (11/5/76)	65.86 (16/12/74)
39	Merchant Banks (15)	50.21	+0.5	—	8.57	—	—	49.98	49.92	49.92	49.65	65.82	93.83 (27/1)	45.15 (28/10)	278.57 (1/5/72)	31.21 (7/1/75)
40	Property (32)	132.35	+0.2	4.86	4.19	36.75	34.75	132.02	131.94	131.25	128.82	160.52	194.57 (30/1)	95.95 (27/10)	357.40 (8/11/73)	56.01 (23/4/65)
41	Miscellaneous (6)	64.73	+0.9	20.76	13.32	7.35	7.33	64.17	64.12	62.04	61.05	76.48	91.98 (3/5)	55.37 (28/10)	303.18 (18/6/73)	33.29 (17/12/74)
42	Investment Trusts (50)	142.04	+1.1	3.79	5.45	27.28	27.28	140.55	139.70	137.21	135.68	166.83	184.55 (30/1)	115.09 (23/10)	245.79 (26/4/72)	71.63 (13/12/74)
43	ALL-SHARE INDEX (650)	139.52	+0.5	—	6.97	—	—	138.83	137.04	134.60	133.03	151.81	172.64 (30/1)	116.29 (27/10)	228.18 (1/5/72)	61.92 (13/12/74)
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (9)	491.96	−0.4	8.40	5.24	15.93	14.52	493.90	494.68	497.24	500.37	376.95	525.40 (7/6)	404.67 (14/1)	555.37 (23/7/73)	84.68 (20/6/65)
45	Teas (8)	131.86	−0.1	31.98	9.32	4.12	3.96	132.00	132.61	132.61	132.61	115.62	142.45 (6/7)	117.89 (7/1)	142.45 (6/7/76)	59.72 (17/10/74)
46	Coppers (3)	152.30	−0.9	42.54	7.35	2.35	2.35	153.71	156.70	155.29	155.29	264.21	301.47 (7/1)	143.41 (5/11)	567.78 (13/1/75)	94.08 (29/4/62)
47	Mining Finance (11)	84.41	+2.6	11.06	5.72	9.92	9.84	82.27	81.83	80.81	79.85	111.45	119.77 (7/1)	77.65 (15/10)	175.90 (28/4/69)	66.31 (30/9/74)
48	Tins (5)	119.19	+1.9	11.87	9.33	12.96	12.80	116.98	116.98	116.98	117.46	89.94	126.36 (7/10)	86.09 (9/2)	126.36 (7/10/76)	54.83 (27/6/70)
49	Overseas Traders (13)	204.51	+1.3	17.95	6.69	7.64	7.63	201.81	200.21	198.42	197.84	210.82	254.47 (3/5)	178.51 (27/10)	254.47 (3/5/76)	97.37 (6/1/75)

	FIXED INTEREST	Thurs., Dec. 9 Index No.	Thurs., Dec. 9 Yield %	Wed. Dec. 8	Tuesday Dec. 7	Monday Dec. 6	Friday Dec. 3	Thurs. Dec. 2	Wed. Dec. 1	Tuesday Nov. 30	Year ago (approx.)	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	14.99	14.98	14.98	14.97	15.07	15.06	15.05	15.16	14.89	[illegible]	[illegible]	[illegible]	[illegible]
2	20-yr. Govt. Stocks (6)	44.55	14.51	44.44	44.55	44.57	44.21	44.26	44.28	44.16	46.15	53.46	43.51	113.42	36.27
3	20-yr. Red. Deb. & Loans (15)	45.27	15.23	45.23	45.27	45.02	45.02	44.90	44.56	44.56	44.66	[illegible]	[illegible]	[illegible]	[illegible]
4	Investment Trust Prefs. (15)	43.74	15.90	43.74	43.88	43.84	43.84	43.69	43.69	43.60	43.69	[illegible]	[illegible]	[illegible]	[illegible]
5	Coml. and Indl. Prefs. (20)	60.99	14.80	60.85	60.76	60.66	60.68	60.62	60.66	60.68	65.57	[illegible]	[illegible]	[illegible]	[illegible]

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00	Insurance Brokers	29/12/67	96.67
Engineering (Heavy)	31/12/71	153.84	Mining Finance	29/12/67	100.00
Engineering (General)	31/12/71	153.84	All Other	10/4/62	100.00
Wines and Spirits	10/1/70	[illegible]			
Toys and Games	16/1/70	135.72			
Office Equipment	16/1/70	[illegible]			
Industrial Group	31/12/70	128.20			
Miscellaneous Financial	31/12/70	128.06			
Food Manufacturing	29/12/67	114.13			
Food Retailing	29/12/67	114.13			

† Redemption yield. FT-Actuaries indices are calculated by Exel Communications Limited (a member of the Exchange Telegraph Group) on an ICM 370 computer. CONSTITUENT CHANGE: Central Wagon (Cap. Goods Misc.) has been replaced by Weyborn Engineering (Eng. General).

A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 22p. A record of the indices, group, sub-section indices, from 1962 is available from FT Business Enterprises, 10, Bolt Court, London, EC4. It gives all groups and sub-section indices at fortnightly intervals since the start of the series in 1962 with quarterly highs and lows. Dividend and earnings figures are also included.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1976 high	1976 low
BATs Defd.	25p	15	215	−5	225	183
P. & O. Defd.	£1	15	114	+3	119	87
GEC	25p	14	161	−4	169	112
BP	£1	13	758	−4	780	557
ICI	£1	13	296	−7	402	256
Marks & Spencer	25p	13	88	−1	108	70
Shell Transport	25p	13	420	−8	462	352
Cons. Gold Fields	25p	9	161	+1	220	113
GUS 'A'	25p	9	157	+2	234	123
Lonrho	25p	9	61	+3	101½	47
Unilever	25p	9	308	−2	500	346
Allied Breweries	25p	8	55½	−1½	77	45
Assoc. Dairies	25p	8	175	+1	179	115½
BICC	50p	8	78	−1	130	70
Comm'l Union	25p	8	88	−2	158	75

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e)

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Dec. 7	Dec. 20	Mar. 10	Mar. 22
Dec. 21	Jan. 11	Mar. 24	Apr. 5
Jan. 12	Jan. 24	Apr. 6	Apr. 20

Calls were dealt in Lucas Industries, Burmah Oil, Lonrho, Berry Wiggins, Plessey, Hill Samuel, MK Electric, and Taverner Rutledge. Puts were done in ICI, General Electric and J. Lyons, while doubles were arranged in Cons. Gold Fields, BOC, LRC Int., Rockware, Guest Keen, MEPC, and MK Electric. A short-dated call was dealt in Lucas Industries, puts were done in ICI, General Electric and J. Lyons, while a double was arranged in Cons. Gold Fields.

Industrials		R.M.L.	17	Marks&Sp'ncer	8	Brit. Land	5½
		Fitch Lovell	6	Midland Bank	22	Cap. Counties	5
A. Brew	6½	Gen. Accident	12	Nat'lWestBank	20	E.P.	5
A. P. Cement	15	Gen. Electric	15	"Do" Warrants	7½	Intereuropean	7
Assoc. Leisure	5	Glaxo	35	P & O Dfd	11	Land Securities	14
BSR	9	Grand Met.	7	Plessey	7	MEPC	7
Babcock	6	G.U.S. 'A'	16	R.H.M.	6	Peachey	6
Barclays Bank	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Berry Wiggins	[illegible]	[illegible]	[illegible]	Reed Intl.	[illegible]	Town & City	[illegible]
Beecham	28	Hawker Sidd.	35	Reyrolle	11		
Boots	12	House of Fraser	8	Rothmans	4	Oils	
Bowater	16	I.C.I.	20	Slater Walker	2	Brit. Petroleum	40
B.A.T.	21	"Imps"	7	Spillers	4	Burmah Oil	4½
British Leyland	5	I.C.L.	14	Tesco	4	Shell	27
BOC	5½	Inveresk	7	Thorn 'A'	22	Ultramar	14
Brown (J.)	9	Legal & General	12	Trust Houses	9		
Burton 'A'	6½	Ladbroke	11	Tube Invest.	7	Mines	
Cadbury	6	Lex Service	3¾	Unilever	58	Charter Cons.	15
Cavenham	10	Lloyds Bank	22	Utd. Drapery	5	Chart'rhall Fin	4
Courtaulds	11	"Lofs"	4	Vickers	15	Cons Gold	15
Debenhams	8	London Brick	4½	WilliamsHud'n	4	Hampton Areas	12
Distillers	15	Lonrho	9	Woolworths	6	Rio T. Zinc	18
Dunlop	7½	Lucas Inds.	20			Western M'ng.	18
Eagle Star	11	"Mams"	7	Property			

NEW HIGHS AND LOWS FOR 1976

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1976.

NEW HIGHS (16)

BRITISH FUNDS (2)
Treas. 3½c 1982 Treas. 14pc 1982
CORPORATION LOANS (1)
Bristol [illegible] '75-77
[illegible] (1)
English Card Clothing
FOODS (1)
Assoc. Dairies
HOTELS (2)
Epicure Myddleton
NEWSPAPERS (1)
Routledge Keg. Paul
PROPERTY (1)
Ewart New Northern
TRUSTS (3)
Mendip [illegible] Mar. Mort. Realty
OVERSEAS TRADERS (1)
Borthwick (Thos.)
RUBBERS (1)
Cons. Plants.
MINES (2)
St. Piran Sungei Way

NEW LOWS (8)

BUILDINGS (2)
Monk (A.) [illegible]
ENGINEERING (1)
I.M.I.
INDUSTRIALS (2)
Danbyware [illegible]
TRUSTS (1)
Hampton Trust

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	15	5	21
Corpns. Dom. and Foreign Bonds	3	3	54
Industrials	419	262	1,054
Financial and Property	220	42	278
Oils	6	8	21
Plantations	5	5	26
Mines	41	32	52
Recent Issues	7	—	25
Totals	733	296	1,531

BASE LENDING RATES

Allied Irish Banks Ltd. 14 %
American Express Bank 14 %
Anglo-Portuguese Bank 14 %
Henry Ansbacher 14½%
Banco de Bilbao ...... 14 %
Bank of Credit & Cmce. 14 %
Bank of Cyprus ...... 14 %
Bank of N.S.W. ...... 14 %
Banque du Rhone S.A. 14½%
Barclays Bank ...... 14 %
Barnett Christie Ltd. ... 15 %
Bear Securities Ltd. ... 14½%
Bremar Holdings Ltd. 14 %
Brit. Bank of Mid. East 14 %
■ Brown Shipley 14½%
Canada Permanent AFI 14 %
Capitol C & C Fin. Ltd. 14 %
Cayzer, Bowater Co. Ltd. 14 %
Cedar Holdings ...... 14 %
■ Charterhouse Japhet ... 14 %
C. E. Coates ...... 15 %
Consolidated Credits ... 14 %
Co-operative Bank ......*14 %
Corinthian Securities... 14 %
Credit Lyonnais ...... 14 %
G. R. Dawes ...... 15 %
Duncan Lawrie ...... 14 %
Eagil Trust ...... 14 %
English Transcont ...... 14 %
First London Secs. ...... 14 %
First Nat. Fin. Corp.... 16 %
First Nat. Secs. Ltd. ... 16 %
Goode Durrant Trust... 14 %
■ Antony Gibbs ...... 14 %
Greyhound Guaranty... 14 %
Grindlays Bank ......‡14 %
■ Guinness Mahon ...... 14 %
■ Hambros Bank ...... 14 %
■ Hill Samuel ......§14 %
C. Hoare & Co. ......†14 %
Julian S. Hodge ...... 15 %
Hongkong & Shanghai 14 %
Industrial Bank of Scot. 14 %
Keyser Ullmann ...... 14 %
Knowsley & Co. Ltd. ... 15½%
Lloyds Bank ...... 14 %
London & European ... 14½%
London Mercantile ... 14 %
Midland Bank ...... 14 %
■ Samuel Montagu ...... 14 %
■ Morgan Grenfell ...... 14 %
National Westminster 14 %
Norwich General Trust 14 %
P. S. Refson & Co. ... 14 %
Rossminster Accept'cs. 14 %
Royal Bk. Canada Trust 14 %
Schlesinger Limited ... 14 %
E. S. Schwab ...... 15 %
Security Trust Co. Ltd. 15 %
Shenley Trust ...... 16 %
Standard Chartered ... 14 %
Trade Development Bk. 14 %
Twentieth Century Bk. 15 %
United Bank of Kuwait 14 %
Whiteaway Laidlaw ... 14½%
Williams & Glyn's ...... 14 %
Yorkshire Bank ...... 14 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 11%, 1-month deposits 11½%.
† 7-day deposits on sums of £10,000 and under 11% up to £25,000 11½% and over £25,000 11¾%.
‡ Demand deposits 12%.
§ Call deposits over £1,000 11%.

CORAL INDEX Close 319-324

INSURANCE BASE RATES

† Property Growth ...... 14 %
Cannon Insurance ...... 14 %
† Address shown under Insurance and Property Bond Table.

MONEY MARKET

Another signal on rates

Bank of England Minimum Lending Rate 14¼ per cent. (since November 19, 1976)

The London money market received the third consecutive indication this week that the authorities are opposed to any reduction in Bank of England Minimum Lending Rate at to-day's Treasury bill tender.

Discount houses buying rates for three-month Treasury bills finished at 13⅞-13¹⁵⁄₁₆ per cent., which continues to indicate a possible reduction in MLR, but it is generally felt that most discount houses have accepted the signal from the authorities. The main reason for the constant reminder appears to be a fear that sources outside the discount market are likely to be a deciding factor at the tender, *since only £300m. bills are* on offer.

This is a relatively small number of bills to offer in comparison with recent tenders, and the authorities may be apprehensive about the outcome of the tender under these circumstances.

Day-to-day credit was in short supply and the Bank of England gave its signal to the market by lending a moderate amount, for seven days at MLR, to five or six houses. The same number of houses also borrowed a small amount overnight, at MLR, and the authorities bought a moderate number of Treasury bills and local authority bills from the houses and banks, making a total of very large assistance to the market.

Rates in the table below are nominal in some cases.

Dec. 9 1976	Sterling Certificates of deposits	Interbank	Local Authority deposit*	Local Auth. negotiable bonds	Finance House Deposit	Company deposits	Discount market deposits	Treasury bills ф	Eligible Bank Bills ф	Fine Trade Bills ф
Overnight	—	14½-15½	—	—	—	14⅞	14-14¾	—	—	—
2 days notice	—	—	15	—	—	—	—	—	—	—
7 days or 7 days notice	—	14⅞-15⅛	15	—	15⅛-15¾	15	14⅝-14¾	—	—	—
One month	15-14¾	14⅞-15	15	15⅜-14¾	15-15½	15¼	14½-14⅝	13⅝	14⅞-14¾	15¼-15⅛
Two months	14⅞-14⅝	14⅝-14⅞	—	15¼-14¾	15-15½	—	13¾-14¼	13¾	14¼-14⅝	15¼-15
Three months	[illegible]	14⅜-14⅝	15	15¼-14½	15-15½	—	13½-14	[illegible]	14⅞-14	15¼-14⅞
Six months	[illegible]	[illegible]	14⅝-14⅞	14¾-13¾	14½-14¾	—	—	—	13½	15¼-14¾
Nine months	[illegible]	13¼-13⅝	—	14¾-13¾	14½	—	—	—	—	—
One year	[illegible]	13-13½	14¾-15	14½-13⅝	14½	—	—	—	—	—
Two years	—	—	15	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. * Long-term local authority mortgage rates nominally three years 15 per cent.; four years 14¾-15¼ per cent.; five years 14¾-15¼ per cent. ф Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 13¾ per cent.; four-month trade bills 15¼-14¾ per cent. Approximate selling rate for one-month Treasury bills [illegible] per cent.; two-month [illegible] per cent.; and three-month 13¾-13¹¹⁄₁₆ per cent. Approximate selling rate for one-month bank bills 14⁹⁄₁₆ per cent.; two-month 14¼-14⅛ per cent. *and three-month* [illegible] *per cent.*; one-month trade bills 15¼-15 per cent., two-month [illegible] *per cent.*; and also three-month 15¼-14¾ per cent.

Finance House Rates (published by the Finance Houses Association): 15 per cent. from December 1, 1976. Clearing Bank Deposit Rates for small sums of seven days' notice 11 per cent. Clearing Bank Base Rates for lending 14 per cent. Treasury bill average tender rates of discount 14.0187 per cent.

AUTHORISED UNIT TRUSTS

Framlington Unit Mgt. Ltd. (a)
5-7, Ireland Yard, EC4B 5DH.

Capital Tst.	53.4	56.6	+2.8	4.36
Income Tst.	49.2	52.2	+1.6	9.01
Int. Growth Fd.	56.4	60.0	+2.8	4.08
Do. Accum.	58.8	57.2	—	4.36

Friend's Provdt. Unit Tr. Mgrs.♥
Pixham End, Dorking.

Friends Prov. Uts.	25.3	27.0	+0.2	6.38
Do. Accum.	31.9	33.2	+0.3	6.38

INSURANCE, PROPERTY, BONDS

REGIONAL MARKETS

...are prices previously shown under regional headings is ...stations on London. Irish issues, most of which are not ..., are shown separately and with prices as on the Irish ...

			IRISH		
			Conv. 9% '80/82	47¾	
Higgons Brew.	65	.....	Alliance Gas	67	.....
I.O.M. Stm. £1	134	.....	Arnott	180	.....
Holt (Jos.) 25p	180	.....	Carroll (P.J.)	34	.....
Kleen-e-Ze	37	+1	Clondalkin	33	-1
Lovell's Ship £1	180	.....	Concrete Prods.	41	.....
N'thn. Goldsmiths	22	.....	Heiton (Hldgs.)	20	.....
Pearce (C. H.)	85	.....	Ind. News	37	.....
Peel Mills	11	.....	Ins. Corp.	140	.....
RobbCaledon£1	45	-2	Irish Distillers	38	.....
Sayers 12½p	15	.....	Irish Ropes	86	.....
Sheffield Brick	73	.....	Jacob	46	.....
Sheff. Refrsmt.	140	.....	Sunbeam	12	.....
Shiloh Spinn.	20	.....	T.M.G.	70	.....
Sindall (Wm.)	49	.....	Unidare	44	.....

PRICE MOVEMENTS

	Dec. 9 £	Week ago £	Month ago £
...on	1,025	1,025	1,025
...on	990	990	965
...ton ...	990	990	965
...ns	985	985	960
....	9.51- 9.59	9.51- 9.59	9.51- 9.66
...f	57.12	57.12	57.12
...cwt ...	58.50-60.48	58.50-60.93	58.50-60.93
...rindless			
....	990.11	990.11	990.11
....	896.50	896.50	896.50
...ndard ...	4.00- 4.20	4.20- 4.35	3.40- 3.55
...e	4.10- 4.80	4.40- 4.55	3.60- 3.70
	Dec. 9 per pound p p	Week ago per pound p p	Month ago per pound p p
...des (ex-			
....	48.0- 51.0	47.0—51.0	47.0—50.0
...s	34.0—36.0	35.0—38.0	36.0—39.0
....	40.0—48.0	40.0—46.0	44.0—47.0
....	47.0—46.0	31.0—39.0	45.0—47.0
....	—	—	—
....	30.0—39.0	31.0—39.0	30.0—39.0
....	29.5—32.5	29.5—32.0	29.5—32.0

...Exchange price per 120 eggs. † Delivered.
...ber 11-15.

OFFSHORE AND OVERSEAS FUNDS

Channel Capital♦	176.7	185.0	+2.1	2.16
Channel Islands♦	91.6	96.4	+0.6	5.62
Commodity***	128.8	135.7	+3.4	—
St. Fxd. Int.***	103.9	109.8	+0.6	12.29

Prices on *Dec. 6. **Dec. 8. ***Dec. 8. ‡Weekly Dealings.

Schlesinger Fnd. Mgrs. (Jersey) Ltd.
P.O. Box 197, St. Helier, Jersey. 0534 27311

S.A.I.L. Dec. 15	87.0	92.8	.....	6.25
Intnl. Fd. Jersey	99.0	104.0	.....	3.85
Int. Fd. Luxemb'g.	10.57	11.13	+0.05	—

J. Henry Schroder Wagg & Co. Ltd.
120, Cheapside, E.C.2. 01-588 4000

Cheap Sfd. Dec. 8	$US11.75		+0.12	2.55
Trafalgar Oct 31	$US91.85			—
Asian Fd. Nov. 29	$US13.84	14.35	.....	3.16
Darling Fnd	$A1.52	1.63	.....	6.50

Singer & Friedlander Ldn. Agents
20, Cannon St., EC4. 01-248 9646

Dekafonds	DM25.92	27.30	+0.10	6.06
Tokyo Tst. Nov. 30	$US25.76		.....	2.33

Slater Walker Tst. Mgt. (Jersey) Ltd.,
20 Bath St., St. Helier, Jersey. 0534 73114

Growth Invest.	220.5	238.4	.....	2.78
Intnl. Fd.	58.0	62.7	.....	1.09
Jersey Energy Tst.	129.3	139.8	.....	1.88
Worldwide		53.2	.....	2.2

Value Dec. 3. Next dealing date Dec. 13.

Surinvest (Jersey) Ltd.
P.O. Box 98, St. Helier, Jersey 0534 26138

American Ind. Tst.	59.59	10.09	.....	—
Copper Trust	12.26	12.92	+0.14	—

Surinvest Trust Managers Limited
58, Athol Street, Douglas, I.o.M. 0624 23914

The Silver Trust	101.8	107.2	+0.8	—

United States Tst. Intl. Adv. Co.,
14, Rue Aldringer, Luxembourg.

U.S. Tst. Inv. Fnd.	$US11.44	+0.03	0.87

Net asset value Dec. 8.

S. G. Warburg & Co. Ltd.
30, Gresham Street, EC2. 01-600 4555

Cnv. Bd. Dec. 8	$US8.88	+0.02	—
Energy Int. Dec. 8	$US14.33	+0.12	—
Gr. St. $Fd. Nov. 30	$US6.99	.....	—

Warburg Invest. Mngt. Jrsy. Ltd.
1 Charing Cross, St. Helier, Jsy. CI. 0534 29041

CMF Ltd. Nov. 25	$US9.65	9.99	.....	—
CMT Ltd. Nov. 25	£9.22	9.46	.....	—
Metals Tst. Nov. 18	£12.27	12.57	.....	—
TMT Nov. 11	$US9.96	10.22	.....	—
TMT Ltd. Nov. 11	£10.18	10.34	.....	—

World Wide Growth Management♦
10a, Boulevard Royal, Luxembourg.

WorldWideGth. Fd.	$US11.59	.....	—

NOTES

Prices do not include $ premium, where applicable, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of U.K. taxes. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥Net of tax on realised capital gains unless indicated by ♦. ¶Guernsey yield. ‡Suspended. ‡Single premium insurance bonds. ♦Yield before Jersey tax.

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1976 High	1976 Low	Stock	£	+ or −	Yield Int.	Yield Red.
		"Shorts" (Lives up to Five Years)				
98 7/32	95 1/32	Treasury 6½pc 1977††	98⅛	+1/16	6.77	14.00
97¼	94½	Electric 3pc '74-77	97⅞	+⅛	3.06	13.39
102 9/32	97¾	Treasury 11½pc '77††	98 9/16	......	11.67	13.34
95⅛	91⅞	Treasury 3pc '77††	94⅛	......	3.18	9.73
95¾	92¼	Transport 4pc '72-77	95¾xd	......	4.18	8.41
99 7/16	90½	Treasury 9pc 1978††	95 17/32	−1/32	9.42	12.92
101½	93⅝	Treasury 10½pc '78††	96⅝xd	......	10.87	13.00
93¾	89⅝	Exch. 5pc '76-78	90⅞	......	5.50	10.69
103 31/32	92⅜	Treasury 11½pc '79††	95 1/32	−1/32	12.10	14.13
96½	92 5/32	Treas. 11½pc '79 'A'††	95	−1/32	12.10	14.13
85⅞	82¼	Treasury 3pc '79††	84⅛	......	3.56	9.65
89⅝	82¼	Electric 4¼pc '74-79	85 1/16	−1/16	5.00	10.54
100⅜	88⅞	Treasury 10½pc '79††	91 3/16	−1/16	11.47	14.12
88¼	82¼	Electric 3½pc '76-79	84 1/16	......	4.15	9.83
96 31/32	84½	Treasury 9pc 1980††	87 1/32	......	10.34	14.12
96½	84 3/16	Treasury 9½pc '80††	87⅝	+1/32	10.84	14.18
86	78¼	Treasury 3½pc '77-80	81¼xd	......	4.31	9.96
89½	80	Funding 5¼pc '78-80††	82½	......	6.36	11.44
96 7/16	96 3/16	Exch. 13pc 1980††	96 7/16	......	13.48	14.18
103 7/16	88½	Treasury 11½pc 1981††	91 23/32xd	+1/32	12.53	14.25
86	76¼	Treasury 3½pc 1979-81	77¼	......	4.50	10.14
95⅝	82⅜	Treasury 9¾pc 1981††	86	+1/32	11.34	14.18
		Five to Fifteen Years				
94⅛	79⅝	Treasury 8½pc '80-82††	81⅛xd	+⅛	10.37	13.53
71¼	69¼	Treasury 3pc '82††	71¼	+⅛	4.24	10.43
99 13/16	98¼	Treasury 14pc '82††	99 13/16	+1/16	14.18	14.35
107¼	88⅞	Treasury 12pc 1983††	93⅛	+⅛	13.24	14.30
81½	69⅝	Funding 5½pc '82-84††	70¼xd	......	7.77	11.67
87⅝	74¼	Treasury 8½pc '84-86††	74¼xd	......	11.26	13.08
74⅞	60⅛	Funding 6½pc '85-87††	64⅛	......	10.24	15.01
77⅝	65⅛	Treasury 7¾pc '85-88††	69⅝	+⅛	11.66	13.69
51¼	44⅜	Transport 3pc '78-88	46¼xd	+⅛	6.39	11.37
59¾	48	Treasury 5pc '86-89	51⅛	+⅛	9.95	13.07
103¼	87	Treasury 13pc 1990††	87⅛xd	+⅛	14.70	15.07
75⅞	61⅝	Treasury 8¼pc '87-90††	63⅞xd	+⅛	12.89	14.36
60	47⅝	Funding 5¾pc '87-91††	51	+⅛	11.51	13.88
		Over Fifteen Years				
100½	84¼	Treasury 12¾pc '92††	89½	+⅛	15.07	15.38
93½	81½	Treasury 12½pc '93††	81½xd	+⅛	15.11	15.44
55	45⅛	Funding 6pc 1993††	46⅞	+⅛	12.64	14.35
97¼	91⅛	Treasury 14½pc '94††	96¼	+⅛	15.48	15.54
75⅛	59½	Treasury 9pc '94††	63¼	+⅛	14.36	15.06
36½	28⅝	Gas 3pc '90-95	31	+⅛	9.78	12.99
100	79	Treasury 12¼pc '95††	84	+⅛	15.34	15.52
75⅛	59⅞	Treasury 9pc '92-96††	63¼	+⅛	14.60	15.19
98¼	97½	Treasury 15¼pc '96††	98¼	+⅛	15.63	15.64
95¼	81½	Exchequer 13¼pc '96††	86⅝	+⅛	15.46	15.61
35½	28	Redemption 3pc 1986-96	30⅜	+⅛	10.07	12.86
102½	85⅛	Treasury 13¼pc '97††	90½	+⅛	15.52	15.63
70⅛	58	Treasury 8¾pc 1997††	62	+⅛	14.68	15.18
57⅞	45	Treasury 6¾pc '95-98††	48⅛	+⅛	14.24	15.02
101⅛	95⅞	Treas. 15½pc '98††	101⅛	+⅛	15.70	15.68
—	—	Treas. 15½pc '98 'A'	£99	......	15.66	15.67
76	62⅞	Treasury 9½pc 1999††	63xd	+⅛	14.86	15.23
31½	25⅛	Funding 3½pc '99-04	26¼xd	+⅛	13.16	14.31
63	51	Treasury 8pc '02-06††	54⅝	+⅛	15.04	15.19
46½	35⅞	Treasury 5½pc '08-12††	38¼	+⅛	14.91	15.04
60⅞	50⅛	Treasury 7¾pc '12-15††	54	+⅛	15.17	15.20
		Undated				
30⅞	25¼	Consols 4pc	27⅛	......	15.57	—
27⅞	22¼	War Loan 3½pc††	24⅛	......	14.56	—
28⅞	23⅛	Conv. 3½pc '61 Aft.	25¼	......	14.24	—
23¼	18½	Treasury 3pc '66 Aft.	19⅛	......	15.72	—
19⅝	16	Consols 2½pc	16¼xd	......	14.99	—
19½	15⅛	Treasury 2½pc	16⅛	......	15.73	—

**INTERNATIONAL BANK

[illegible]

**CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS (Miscel.)

[illegible]

FOREIGN BONDS & RAILS

[illegible]

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

[illegible]

S.E. List Premium 39¼% (based on $U.S.1.6727 per £)

Conversion factor 0.7181 (0.7165)

CANADIANS

1976 High	1976 Low	Stock	£	+ or −	Div. Gross	C'vr	Y'ld Gr's
14¾	10⅞	Bk. Montreal $2	13⅝	......	$1.00	—	5.2
40½	29 1/16	Bk. Nova Scot. $2	32½	+⅛	$1.72	—	3.1
46¾	33¾	Bell Canada 25c	38⅛	−⅛	$3.72	—	5.7
23⅝	12	Bow Valley‖	17½	+⅛	10c	—	0.3
10	780p	Brascan‖	940p	−20	s$1.00	—	6.2
29 3/16	18 15/16	Can. Imp. Bk. $2	20⅛	−1/16	$1.40	—	4.1
16⅞	10⅝	Can. Pacific $5	12⅛	......	84½c	—	4.0
29⅝	25 1/16	Do. 4pc Deb. £100	25⅞	......	4%	—	15.5
37⅝	17½	Gulf Oil Can.‖	17¾	−¼	$1.00	—	3.3
670p	350p	Hawker Sid. Can.‖	350p	......	36c	—	6.0
33	21	Hollinger $5	22½	......	$1.80	—	4.7
18	10 11/16	Hudson's Bay‖	11⅛	......	60c	—	3.1
34⅛	25½	Hud. B. Oil G. $2½	27¼	+¼	Q152c	—	3.3
22¾	15	Imperial Oil‖	15¼	−⅛	86.4c	—	3.3
31½	19½	Inco	24½	−⅛	$1.40	—	3.3
920p	660p	Int. Nat. Gas $1	760p	+20	80c	—	6.2
25½	16	Massey Ferg.‖	18⅝	−⅛	$1.00	—	3.2
27⅝	20¼	Pacific Pet. $1	22	+1⅛	86.4c	—	2.3
38½p	24p	Place Gas $1	27½p	......	—	—	—
30⅝	21⅛	Rio Algom	21⅝	−½	$1.00	—	2.8
27¼	18⅞	Royal Bk. Can. $2	19⅞	−1/16	$1.38	—	4.1
28 1/16	16½	Seagram Co. C$1	17⅞	−⅛	86.4c	—	2.8
18 5/16	13⅛	Tor. Dom. Bk. $1	14 3/16	......	74c	—	2.9
11⅞	830p	Trans. Can. Pipe 33¼c	10	−⅛	95c	—	0.0

S.E. List Premium 39¼% (based on $1.7171 per £)

BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

BUILDING INDUSTRY—Continued

[illegible]

CHEMICALS, PLASTICS

[illegible]

CINEMAS, THEATRES AND TV

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES—Continued

[illegible]

ELECTRICAL AND RADIO

[illegible]

ENGINEERING, MACHINE TOOLS

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

[illegible]LS—Continued

[illegible]

INSURANCE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

TRUSTS—Continued

[illegible]

TRUSTS—Continued

[illegible]

Finance, Land, etc.

[illegible]

OILS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

For Bandenga Hldgs. see Purbeck Grp.

[illegible]

MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

MINES—Continued

FAR WEST RAND

1976 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
710	250	Blyvoor 25	380	......	Q75c	1.6	14.3
£14	440	Buffels R1	700	−10	‡Q125c	1.6	‡
*140	70	Deelkraal R0.20	86	−2	—	—	—
760	125	Doornfontein R1	255	−5	Q55c	2.2	15.6
965	330	East Drie R1	635	−5	Q75c	1.7	8.5
280	122	Elandsrand Gld. 20c	165	−5	—	—	—
190	44	Elsburg R1	100	......	Q9½c	ϕ	‡
£16½	520	Hartebeest R1	£10½	−⅛	‡Q190c	1.3	‡
695	260	Kloof Gold R1	435	−5	Q47c	1.5	7.8
760	140	Libanon R1	330	+10	Q80c	2.0	17.5
740	230	Southvaal 50c	375	+10	Q8c	1.3	1.5
245	92	Stilfontein 50c	158	−2	Q22c	ϕ	‡
£20¼	700	Vaal Reefs 50c	£11⅜	+⅛	‡Q175c	2.1	‡
420	48	Venterspost R1	165	−5	Q25c	3.6	11.0
£35	£11¼	W. Drie R1	£20	−¼	Q335c	1.5	12.1
315	68	Western Areas R1	162	−2	‡Q52c	1.4	‡
£15¼	480	Western Deep R2	800	......	‡Q140c	1.6	‡
290	100	Zandpan R1	185	−3	‡Q31½c	1.0	‡

O.F.S.

1976 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
170	60	Free State Dev 50c	115	......	Q9c	0.6	5.7
£22½	715	F.S. Geduld 50c	£11¼	−¼	Q200c	ϕ	12.9
200	50	F.S. Saaiplaas R1	95	−1	6c	2.6	4.6
465	170	Harmony 50c	310	+5	‡Q65c	1.9	‡
195	38	Loraine R1	88	+4	Q6c	0.5	4.9
£18½	600	Pres. Brand 50c	975	+13	Q170c	ϕ	12.6
£13	395	Pres. Steyn 50c	750	−5	Q45c	ϕ	4.3
£23⅛	750	St. Helena R1	£12	−¼	Q170c	ϕ	10.2
174	70	Unisel	135	+1	—	—	—
330	125	Welkom 50c	175	−3	Q15c	ϕ	6.2
£25½	950	W. Holdings 50c	£14¼	......	Q310c	ϕ	15.7

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

CENTRAL AFRICAN

[illegible]

AUSTRALIAN

[illegible]

TINS

[illegible]

COPPER

[illegible]

MISCELLANEOUS

1976 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
10	8	Burma Mines 17½p.	9	......	0.1	ϕ	1.8
35½	15½	Charterhall 5p	20	−2	—	—	—
990	550	Cons. Murch. 10c	590	−10	Q140c	ϕ	18.5
440	245	Northgate C$1	390	+10	—	—	—
239	132	R.T.Z.	151	+4	g5.96	2.1	6.1
112	55	Sabina Inds. C$1	58	−6	—	—	—
£15⅞	£10	Tara Expln. $1	£12⅛	......	—	—	—
45	32½	Tehidy Minerals 10p	32½	......	†h1.08	ϕ	5.1
145	84	Yukon Cons. C$1	123	+6	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- ▲ Sterling denominated securities which include investment dollar premium.
- ■ "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Unlisted security.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- ♦ Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♦ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital: cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1976-77. K Figures based on prospectus or other official estimates for 1976-77. M Figures based on prospectus or other official estimates for 1976 N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 30

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £325 per annum for each security

FINANCIAL TIMES
Friday December 10 1976

TURMOIL OVER DEVOLUTION ON DAY OF GREEN PAPER

Callaghan ready for referendum

BY RICHARD EVANS, LOBBY EDITOR

WITH BOTH major parties in turmoil over the issue of devolution Mr. James Callaghan, Prime Minister, made preparations yesterday to offer the substantial concession of a referendum in Scotland and Wales to placate Labour opponents of the Government's Bill.

At the same time, the Conservative leadership, trying desperately to close party ranks after the resignation from the front bench of two leading pro-devolutionists, faced the prospect of an embarrassing intervention in the next few days from Lord Home.

The Prime Minister, who will speak on the opening day of the four-day second reading debate of the Scotland and Wales Bill next Monday, will discuss the proposition of a referendum to be held after the legislation completes its passage through Parliament, presumably some time next summer.

But Mr. Callaghan is unlikely to yield immediately to pressure for a referendum. Instead, he will pave the way to do so during the committee stage of the Bill next year.

Pressure for a referendum in Scotland and Wales mounted sharply because of an amendment to the devolution legislation tabled by Mr. Leo Abse, Labour MP for Pontypool, and signed by around 80 MPs.

The majority are Labour backbenchers who are unhappy about the Government's devolution proposals, but a number of Tories have now signed and are not being discouraged by Mrs. Margaret Thatcher, the Conservative leader.

With such widespread support from both major parties, it is difficult to see how Ministers can avoid accepting a referendum.

The amendment states baldly that the Government's Bill cannot be approved "unless a referendum is held before the Bill comes into effect to ascertain the wishes of the people of Scotland and Wales."

Ministers might delay giving away the concession until they seek to guillotine, or curb debate on, the committee stage of the Bill. It could then be used as a bargaining counter to bring Labour rebels into line as 70 have threatened not to back a guillotine unless a referendum is conceded.

Lord Home is understood to be dismayed by the Shadow Cabinet decision to mount an all-out attack on the second reading of the Government's devolution legislation, on the grounds that this will be taken in Scotland as a vote against the principle of devolution and could lose the party electoral support.

If Lord Home backs Mr. Heath's view that more than the directly elected assembly without executive powers favoured by the Shadow Cabinet is now needed to meet the wishes of the Scottish majority, it will be a further blow to Mrs. Thatcher's efforts to calm the fears of the pro-devolution faction in the party.

When Mrs. Thatcher speaks on the opening day of the debate, she will underline the party's double commitment to oppose the terms of the Government's Bill, and to support the principle of devolution.

The Tory leadership is still convinced that all-out opposition to the Bill was the only possible tactic the Shadow Cabinet could choose. Any attempt at qualified opposition or a free vote would have split the party even further.

As it is, the 16 MPs in the Scottish Conservative group are hopelessly divided, but the vast majority of English Tories, with the exception of Mr. Heath and a few others, are behind the Shadow Cabinet line.

● Mr. John Nott, a former Treasury spokesman, becomes Tory Shadow Trade Secretary following the appointment of Mr. Edward Taylor as Shadow Scottish Secretary.

English Assembly ruled out

BY RUPERT CORNWELL, LOBBY STAFF

THE GOVERNMENT yesterday unveiled its promised consultative document on possible changes in the English administrative system to a generally lukewarm welcome within Westminster and from directly interested bodies.

Designed to examine the implications of Scottish and Welsh devolution for England, the Green Paper *makes just one* thing really clear—that any form of federalism for the U.K., involving one or more English assemblies with legislative powers along Scottish lines is ruled out.

Its declared aim is to provide a basis for discussions on how to improve the structure of Government in England and establish what changes, if any, are needed.

As Mr. Michael Foot, Leader of the Commons, repeatedly stressed at a Press conference yesterday, no definite proposals will be formulated until a wide public debate has taken place.

He doubted whether the present arrangements satisfied most people but it was extremely hard to pin down just where improvements should be made.

In keeping with this low key approach, the 22-page document, entitled Devolution: the English Dimension sets out the merits and drawbacks of the most plausible changes; all of which would be geared to improving the efficiency and local democratic control of Government.

However for all its studious neutrality, the report does seem to support the concept of "limited change" — involving strengthened regional advisory bodies a measure of decentralisation, or modifications in local government machinery, rather that more radical surgery.

Such an alternative, which *could take the shape of directly* elected regional assemblies with powers derived from local government, would quickly run up against constitutional and financial obstacles, and raise tricky problems of boundary definition, particularly where the disproportionately important South-East region was concerned.

The Government is accordingly anxious to gather as wide a range of views as possible. Over 1,000 interested bodies will be sent a questionnaire, and the public has also been asked to make its own suggestions.

With a few predictable exceptions, the document has failed to raise the political temperature, and was generally being seen as an effort to allay the fears of the vast bulk of MPs who represent English constituencies, many of whom are afraid that Scotland and Wales may gain too big a slice of the available cake under devolution.

Details of Green Paper, Page 11
Editorial comment, Page 16

Fleet Street labour 'overhaul' needed

BY CHRISTIAN TYLER, LABOUR STAFF

THE MOST searching analysis of Fleet Street's industrial relations problems yet conducted was published yesterday with comprehensive proposals for reform.

The study has been produced by the Advisory, Conciliation and Arbitration Service for the Royal Commission on the Press for use in its final report, which is expected in May.

It recommends a complete overhaul of pay bargaining in Fleet Street, with collective bargaining at house or local level to replace group-by-group pay deals. It calls for a structure of joint union-management committees at national and local level and greater liaison between different *printing union chapels (office* branches).

It says there should be much greater disclosure of information to unions and more formal, long-term industrial relations policies approved at Board level. Problems like demarcation lines, the casual labour system, manning levels, inadequate disputes procedure and sectional attitudes in general are among the symptoms most urgently in need of treatment.

The conclusions have been informally approved by leaders of the unions and by the newspapers. Much of what ACAS recommends has been incorporated in the brief of a joint standing committee set up by both sides to work out acceptable terms for the introduction of labour-saving technology.

The evidence of the Royal Commission and of an ACAS inquiry has itself contributed to the establishment of the joint standing committee, as well as to renewed efforts by print union leaders to combine eventually in one union.

Professor Oliver McGregor, chairman of the Commission, *said yesterday the industry was* at a watershed. Now, probably more than ever, its future was in the hands of those who worked in it. He praised both sides of the industry for their co-operation in what he said was a pioneering work.

The Commission has asked for formal comments on the report before Christmas. Already the Institute of Journalists has dissented from the ACAS suggestion that it should consider merger talks with its bigger rival, the National Union of Journalists.

While much of the ACAS plan is already under way in Fleet Street, the commission will not commit itself on the ACAS findings until it prepares the draft of its report in March.

The report covers the nine national daily newspapers, the two London evening papers and the seven national Sunday papers.

A second, less bulky, ACAS report on the provincial press is due to be completed in the New Year, also for the Royal Commission.

Yesterday unions and employers in the provincial press announced an agreement to set up a joint working party to look at new technology.

Report Details, Page 8

North-South conference put off until next year

By Robert Mauthner

PARIS, Dec. 9.

THE FINAL Ministerial meeting of the North-South conference between the rich and developing nations, which was to have been held here on December 15, has been postponed until an unspecified date early next year.

A statement issued in Paris to-night on behalf of Dr. Manuel Perez Guerrero, the chief representative of the 19 developing countries and co-chairman of the conference, blamed the industrialised nations for the decision.

The 19 developing States, he said, were prepared to meet on the original dates, but had accepted the postponement because some industrialised countries claimed they could not "assume the political positions which will ensure the success of the conference."

The group of 19 said they hoped that, when the Ministerial meeting finally took place, the industrialised countries would show the political will to succeed that had been lacking so far.

Dr. Perez's remarks about countries unable to take political decisions at present clearly referred to the U.S., where Mr. Jimmy Carter has not yet officially assumed control, and Japan, where a new Government has to be formed, following the general election.

Breather

The official reasons for the postponement, though valid in themselves, present a welcome pretext for a breathing space, since it has long been clear that there was no prospect whatever of an agreement by Ministers this month.

A great gap still divides the two sides on a host of issues from the index-linking of oil prices and the prices of manufactured goods to debt relief for the developing countries, their demands for massive financial aid for agricultural development and the abolition of all tariffs and non-tariff barriers on their exports.

Ministers of the Opec States, who, it was confirmed earlier this week, will be meeting in Qatar on December 15 as *originally scheduled, will* thus be discussing the proposed rise in the price of oil without having to take into consideration the progress made at the North-South conference.

At one time, it was feared that the size of the oil price increase would directly reflect the absence of concessions by the industrialised countries in Paris.

The new date for the North-South Ministerial meeting will be fixed after consultations between all the participating countries. It is generally expected here to take place some time in late February or March.

Central Government borrowing down

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

CENTRAL GOVERNMENT borrowing in the current financial year is continuing to run at well below the level of 1975-76 despite an abnormally large rise in expenditure last month.

In November, the Central Government borrowing requirement was £835m. following the freak surplus in the previous month. For the first eight months of the financial year, the total is £4.46bn., compared with £5.77bn. at the same stage a year ago, and a forecast rise of over 18 per cent. for 1976-77 as a whole.

Figures for the first six months of 1976-77, published last week, point to an annual PSBR of £10.3bn., slightly below last year's outcome. But higher social security benefits introduced last month make the probable outcome around £11bn., compared with the most recent official forecast of £11½bn

Spending from the consolidated fund last month rose by 33 per cent. compared with a

CONSOLIDATED FUND AND NATIONAL LOANS FUND

	April-1-Nov. 30 1975 £m.	1976 £m.	Change £m.	Change %	Budget forecast %
Consolidated fund					
Revenue	18,266	20,938	+2,672	+14.63	+12.85
Expenditure	22,479	25,343	+2,864	+12.74	+10.73
Deficit	−4,213	−4,405		+ 4.56	+ 1.33
Other NLF transactions					
Receipts	2,171	2,872	+ 701	+32.28	+37.14
Payments	4,042	3,647	− 395	− 9.78	+41.87
Net borrowing	−6,084	−5,180		−14.86	+14.94
Other accounts	+317	+720			
Central government borrowing req.	−5,767	−4,460		−22.67	+18.38

But this is not necessarily a clear guide to the borrowing requirement of the public sector since the CGBR excludes money raised directly in the market by nationalised industries and local authorities.

These public sector bodies have been increasing their proportion of borrowing from the market, and this, as well as their improving internal cash flow, is reflected in a reduction in net lending by the National Loans Fund of £1.1bn since April compared with the same period of 1975-76.

The nationalised industries have throughout the year been borrowing large sums abroad under the exchange cover scheme, while local authorities likely to be much nearer last year's outcome than the CGBR. in particular have recently been raising money from the short-term money market on interest rate grounds instead of committing themselves at higher rates to loans from Central Government.

Consequently the PSBR is year ago but £250m. of the £883m. rise is explained by the decision to bring forward from December certain rate support grant payments to local authorities in order to help relieve a temporary shortage in the money markets. There was also an exceptionally large payment on housing subsidies last month.

Production sabotaged, says Sun management

BY OUR LABOUR STAFF

THE SUN newspaper said yesterday that there had been sabotage at some stage of the *production process and* censorship by trade unions in a dispute which hit Wednesday night's issue.

Talks were going on last night as production resumed. Mr. Larry Lamb, the Sun's editor, said they were proceeding on the assumption that the paper would appear as normal to-day.

The main issue in the talks was the management's insistence on its right to publish a statement which it said had been partly *deleted the night before.* The statement had explained why early editions of the paper had not appeared.

This statement had been "sabotaged" in such a way as to delete reference to the National Graphical Association, one of the unions it said was involved in a long-running demarcation dispute.

NGA members in the foundry, where the plates for the presses are cast, had refused to make a new plate restoring the original statement, the Sun said.

"The company is not prepared to accept censorship by trade unions."

Some printers apparently objected to the Sun's statement. They said it implied all unions were involved in the loss of early editions. They said only one union, the Society of Lithographic Artists, Design Engravers and Process Workers, was *involved.*

Both SLADE and the NGA are said to be involved in the demarcation row which is in the background of the "right to print" dispute.

Members of the Newspaper Publishers Association council met yesterday to discuss the row and were standing by last night.

Weather

U.K. TO-DAY

SUNNY spells, mainly dry. Wintry showers in NW areas.

London, E., S.E., S.W., N.E. and Cent England, E Anglia, W. Midlands, Channel Is., S. Wales, Borders, Edinburgh, Dundee, Aberdeen, Glasgow, Moray Firth

Mainly dry, sunny spells. Early mist or fog. Wind W., light. Max. 6-8C (43-46F).

N. Wales, N.W. England, Lakes, I. of Man, S.W., N.E. and N.W. Scotland, Cent. Highlands, Argyll, Orkney, Shetland, N. Ireland

Sunny spells, wintry showers. Wind W. or N.W., light or moderate. Max. 6C (43F).

Outlook: Mainly dry, sunny spells.

Lighting-up: London 16.21, Manchester 16.20, Glasgow 16.14, Belfast 16.28.

BUSINESS CENTRES

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Amsterdm.	S	7	45	Manchstr.	S	6	41
Athens	S	19	66	Melbourne	S	21	70
Barcelona	F	16	61	Mexico C.	S	19	66
Belfast	S	3	37	Milan	C	3	[illegible]
Belgrade	F	11	52	Montreal	C	−16	3
Berlin	F	7	45	Moscow	[illegible]	0	32
B'rmghm	S	5	41	Munich	R	6	43
Bristol	S	6	43	Newcastle	S	3	37
Brussels	S	7	45	New York	S	2	36
Budapest	C	6	43	Oslo	[illegible]	2	36
B. Aires	C	30	86	Paris	C	[illegible]	46
Cairo	S	22	72	Perth	S	20	68
Cardiff	S	5	41	Prague	C	4	39
Cologne	F	7	45	Reykjavik	S	−5	[illegible]
Cphagn	C	8	47	Rio de J'o	R	26	79
Dublin	F	3	36	Rome	F	17	63
Edinburgh	S	[illegible]	[illegible]	Singapore	S	30	88
Frankfurt	C	7	45	Stockholm	R	2	36
Geneva	R	5	[illegible]	Strasb'rg	R	7	45
Glasgow	F	3	37	Sydney	S	24	75
Helsinki	C	0	32	Tehran	C	10	50
Hong Kg.	S	15	59	Tel Aviv	S	21	70
Jo'burg	S	25	77	Tokyo	C	11	52
Lisbon	F	14	57	Toronto	S	−15	[illegible]
London	S	6	43	Vienna	C	[illegible]	46
Luxembrg	C	5	41	Warsaw	R	5	41
Madrid	F	13	55	Zurich	R	5	41

HOLIDAY RESORTS

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Ajaccio	F	16	61	Jersey	C	9	48
Algiers	F	22	72	Las Plms.	F	25	77
Biarritz	C	14	57	Locarno	F	9	48
Blackpool	S	6	43	Majorca	F	14	57
Bordeaux	C	11	52	Malaga	C	18	64
Boulogne	F	6	43	Malta	F	19	66
Casablnca	C	25	77	Nairobi	S	23	73
Cape Tn.	C	22	72	Naples	F	15	59
Corfu	F	18	64	Nice	S	15	59
Faro	F	15	59	Nicosia	C	19	66
Funchal	F	17	63	Rhodes	F	18	64
Gibraltar	F	15	59	Salzburg	R	7	45
Guernsey	C	5	45	Tangier	C	19	66
Innsbruck	C	4	39	Tenerife	C	17	63
Inverness	F	1	34	Tunis	F	20	68
Is. of Man	S	5	41	Valencia	C	17	63
Istanbul	S	15	59	Venice	C	7	45

S—Sunny. F—Fair. C—Cloudy. R—Rain. Fg—Fog.

Continued from Page 1

£100m. Soviet contract

the power turbine will be made by Cooper in Canada.

In value terms the contract is split roughly equally between the three companies. The pumping stations will be at six separate places along the pipeline and Williams will have overall responsibility for installing the equipment.

Finance is being arranged by Morgan Grenfell, which will make available a loan to the Bank for Foreign Trade of the USSR for 80 per cent. of the £56m. U.K. value of the contract.

This loan will be guaranteed by the Export Credits Guarantee Department. The Canadian portion of the contract will be financed by a £14m. loan from the Export Development Corporation of Canada.

David Satter writes from Moscow: The contract is certain to give a psychological boost to Anglo-Soviet trade and encourage British companies which have not done so to bid for Soviet business.

The choice of light-weight units by the Soviet Union reflects, among other things, the greater ease of handling these units under conditions of extreme cold

Attention in Moscow is expected to turn to the other potential big contract being bid for by a British concern, building of a fabrication yard to make platforms for oil-drilling rigs in the Caspian Sea.

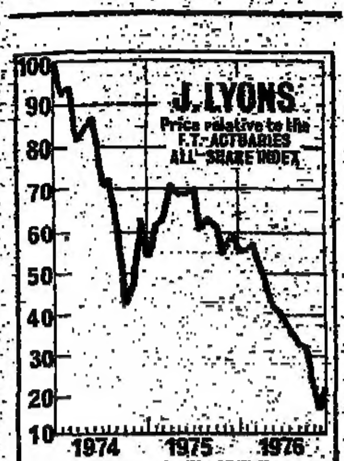
A consortium composed of Brown and Root, BP and George Wimpey, is one competitor, and a decision of some kind on the contract, which may be worth between £50m. and £100m., is expected in late January.

Other possibilities for contracts exist in agriculture, coal-mining, chemical engineering and computers, as well as textile equipment, heavy machinery, scientific instruments and chemicals.

THE LEX COLUMN

Lyons after the asset sales

Index fell 5.6 to 319.4



The half-year report from J. Lyons lopped a tenth off the share price yesterday despite some strong action on the balance-sheet and a maintained interim dividend. By switching heavily out of foreign currency debt into sterling the group has apparently made itself immune to any further deterioration in sterling; and profits for the six months to September are actually modestly higher at £6.3m. before tax and exceptional items. But attributable profits, which just cover the interim payment, would have come out as a £2.4m. loss but for a change in accounting; and the statement makes no mention of the assets side of the balance sheet. Thus, it is hard to escape the feeling that at this stage only the better parts of the story are being told.

Total borrowings stand at some £259m. currently and by the end of the year (next March) the figure could be down to around £220m. That would be roughly a fifth inside the group borrowing limit—taking a line through last published shareholders' funds—and the proportion of it in foreign currencies could be reduced from 70 per cent. at the end of last year to little more than 50 per cent.

But Lyons' gearing ratios remain disturbingly high and given the way profits are moving at present this picture is not going to be altered overnight—even with further asset disposals. The switch from foreign currency to sterling debt has taken the interim interest charge up by a tenth; and apart from the U.S. and the ice cream and soft drinks operations in the U.K.—which for the period reported were hugely boosted by the summer heatwave—most of the group is trading weakly.

The U.S. could be as much as a quarter higher before interest this year, and most of the U.K. loss makers are out of the red. But a market capitalisation of £18.4m. at 45p compares with a figure of £65m. barely one year ago.

Trafalgar House

Within Trafalgar House's 51 per cent. advance in pre-tax profits to £33.6m. the construction division stands out as the main engine: its contribution rose £6.2m. to £14.8m. and there is no repetition of last year's exceptional £4.7m. provision against housebuilding (some much smaller provisions this time have been absorbed within the operating results). Construction turnover has reached £267m., and there is enough specialised demand in areas like mining and the North Sea to make prospects look good, with the overseas content tending to edge above the current 40 per cent. or so.

But the property side is little changed, and shipping and hotels are down £1.9m. to £9.4m.; one problem was the accident to the QE2 which cost £1.5m. There are hopes, however, that shipping will recover this year, with the cargo side and containers performing well; and the London hotels are improving. Incidentally, the charging of £16m. currency loan losses to reserves looks justified in this case, given the group's large shipping assets.

At 88p the shares are comfortably supported by a yield of 8.3 per cent. and a p/e (after a 35 per cent. tax charge) of 6. And the market's 1976-77 targets may range up to about £40m. pre-tax, although the 10 ex-Maritime Fruit ships bought since the year-end will not make a significant impact for the time being. The main attention, though, will probably centre on Trafalgar's obvious takeover ambitions, and also on its gearing, which looks high—debt at present is over £200m., about twice net worth—but is well structured, while the strong cash flow could lead to a dramatic change in the shape of the balance sheet over the next few years.

Lloyds and Scottish

By contrast with Lombard North Central last week, which turned in profits of £8.5m. against a loss of £3.5m. the year before, a £1.4m. rise in profit to £14.5m. from Lloyds and Scottish is less spectacular. But then it has steered well clear of property lending and lacks Lombard's recovery scope.

The average Finance Houses Association base rate was about three-quarters of a point lower during the year, added to which L and S has been reducing its exposure to future rises in interest rates by tying an increasing proportion of its lending to base rate — around per cent. of borrowed funds are matched currently.

Demand for consumer instalment credit was flat, initially but new car lending in the second half was running 30 per cent. up on the first six months. The leasing side did well though the group continues to lose market share since it resists writing more new business than it can absorb for tax purposes. Except for British Relay, the retailing and factoring operations turned in better earnings.

Short-term prospects are clouded by the recent curbs on bank lending and the rise in interest rates. But L and S is less vulnerable on this score than it was, and at 53p the shares yield a comfortable 10 per cent.

Gus

Turnover growth has picked up a shade at GUS in the first six months—at 18 per cent against 16 per cent. in the whole of last year—but margins which have been easing for the last three years, continue to be squeezed slightly with pre-tax profits just 12½ per cent. higher at £46.1m. The comparison with the first half last time is slightly misleading, however, for whereas the deferred B profit provision was unchanged in April-September, 1975, this year another £6.4m. has been tucked away, mainly reflecting the success of the furniture division.

Elsewhere the performance on the mail order side—some 3 per cent. of sales—continues to be good, and Burberrys and Scotch House, boosted by the tourist trade, have provided particularly bright spots. As for the overseas operations sales rose just over a fifth and the profit contribution stays at 19 per cent. On this kind of progress GUS's prospective p/e is around 7, and the "A" shares yield a reasonable 7.2 per cent at 157p.

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